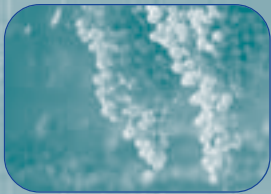




# CALIFORNIA REGIONAL ECONOMIES PROJECT

## Greater Sacramento Economic Base Report



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# Greater Sacramento Economic Base Report

A Product of the  
California Regional Economies Project  
2004

*Prepared by  
Center for Continuing Study of the California Economy*

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## The Twin Challenges of Economic Growth and Workforce Investment

The California Regional Economies Project responds to two separate sets of regional priorities. Many regional organizations are focused on efforts to promote long-term economic growth that is broadly shared among each region's residents. The project's economic base analyses will help to identify sectors that have the potential for high-wage job growth such as, for example, biotech. The Project will select specific clusters for deeper analysis. One aspect of the cluster analyses is to identify workforce policies that will support cluster growth.

Workforce boards play a role in promoting economic growth but they also have mandates to help residents train for and find jobs when they are unemployed. Workforce boards are moving beyond the traditional job-finding role to develop programs focused on career paths and upward mobility.

Many areas of workforce shortage are not in the center of a region's economic base. They are in the many population-serving sectors like health care, construction and education. So, this Project will focus also on the size of sectors, not just their potential for rapid growth, and look closely at population serving activities as well as each region's economic base.

### The Twin Challenges of Economic Growth and Workforce Investment

#### Economic Growth

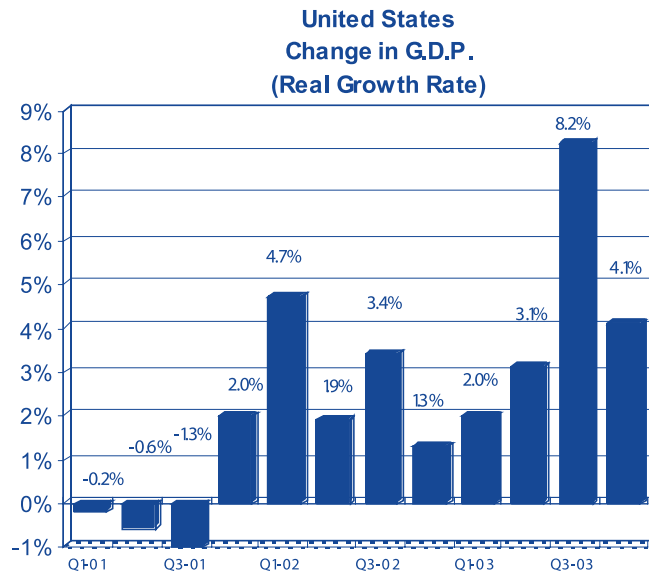
- Identify sectors for innovation and growth, for example, biotech and nanotech
- Identify workforce and other policies to support high growth sectors
- Most focus will be on the region's economic base

#### Workforce Investment

- Identify sectors where people can find career paths and upward mobility, for example, nursing and construction
- Identify workforce policies that support both individuals and sectors
- Most focus may be on population-serving sectors

## The State and National Economic Context

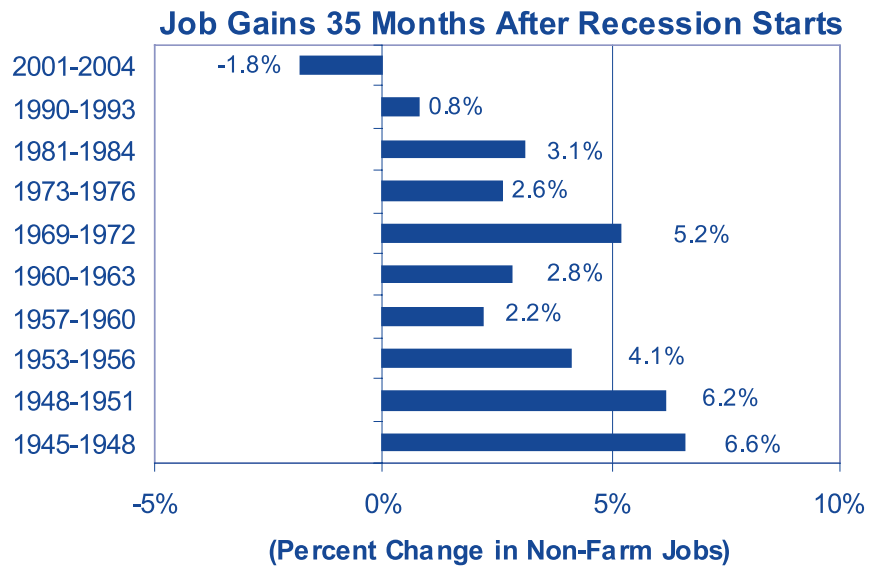
The nation has posted stronger economic results in recent months. Real GDP increased at 8.2% in the 3rd quarter of 2003 and 4.1% in the 4th quarter. A growth rate above 4% is anticipated for the 1st quarter of 2004. Manufacturing output is rising; income and consumer spending are growing and inflation increases are modest. More than 300,000 jobs have been added since July 2003.



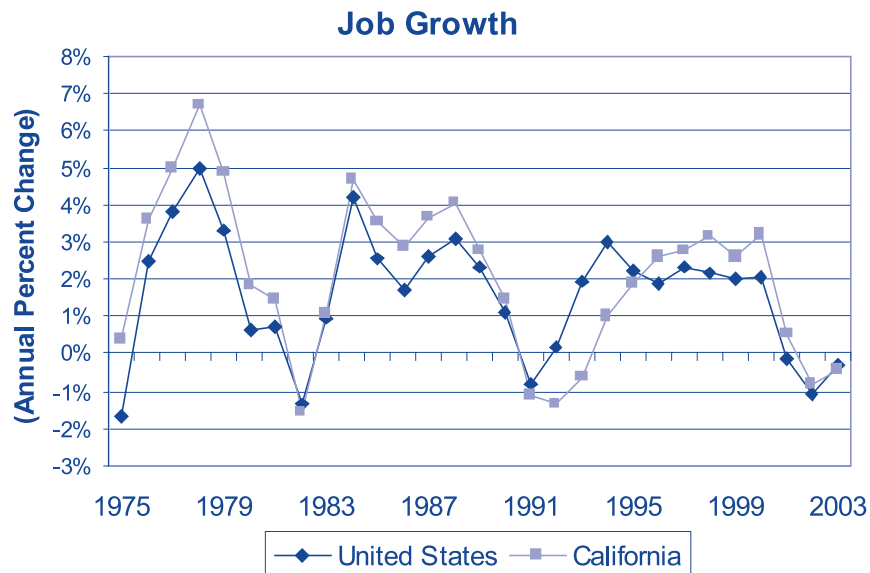
Job gains are expected in the state and nation according to most economic forecasts for 2004.

Still, the nation is in the midst of the weakest jobs recovery since the Great Depression. The national “jobless recovery” is the major reason that job levels in California have remained below the pre-recession levels into 2004.

In every recession since World War II, job levels were higher 35 months after the recession began, **except in the current period**. The average jobs gain 35 months after the last seven previous recessions began is 3%. A 3% increase in national jobs since the beginning of the 2001-2003 recession would be equal to more than a 4.0 million job gain. Instead, the nation has **lost 2.4 million jobs since the beginning of the recession**.

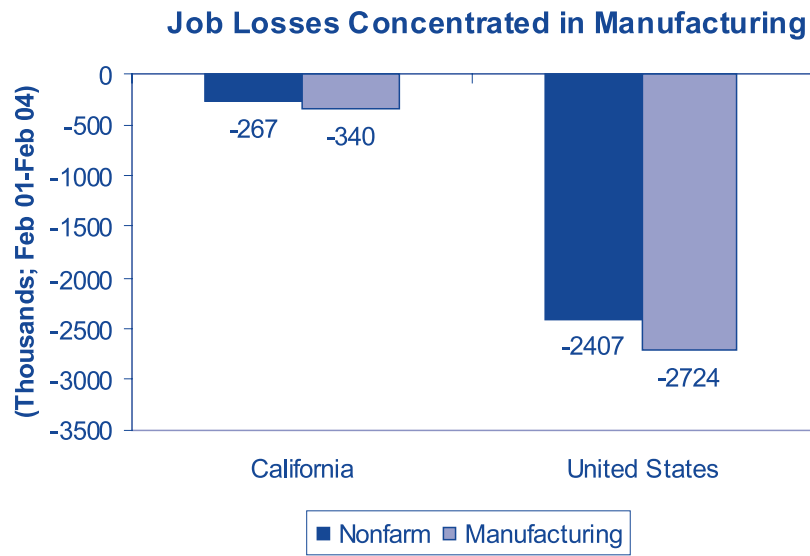


A strong national jobs recovery is essential for renewed job growth in California. While California regions can produce strong job and income growth when the national economy is growing, there are no cases when California regions prospered while the national economy was weak. In fact, as measured by unemployment or job and income growth, the state and nation have a long history of moving up and down together.

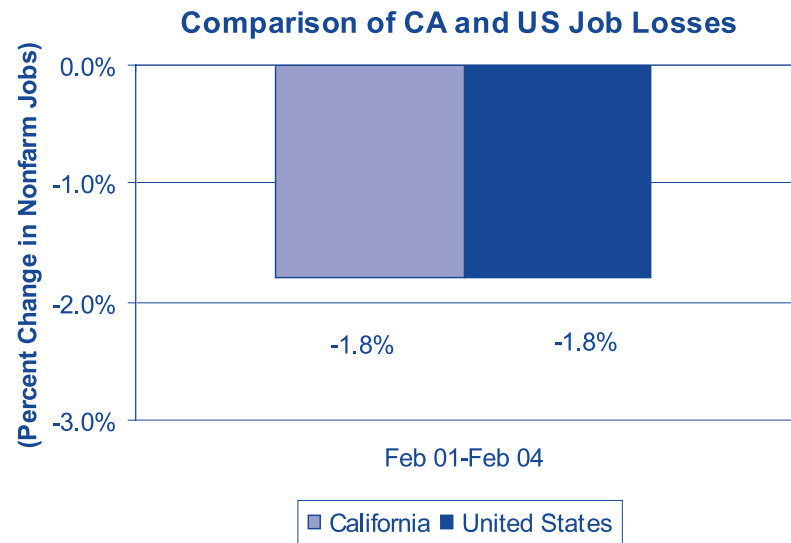


There has been a great deal of recent discussion about how California compares to the nation in terms of job growth since the recession began. Data through February 2004 is presented below.

In the three years since February 2001, California has lost 267,000 nonfarm wage and salary jobs. During the same period, the state lost 340,000 manufacturing jobs. So, the state's entire recent job losses are accounted for by declines in manufacturing. The same picture emerges at the national level. Since February 2001, the nation has lost 2.4 million jobs and 2.7 million manufacturing jobs.

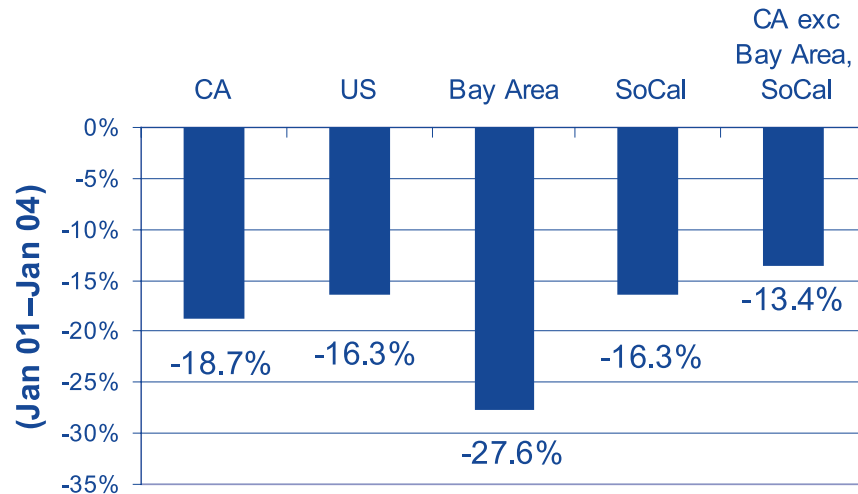


California has the same rate of job loss as the nation or has done a little bit better, depending on what time period is used to measure changes in job levels. Between February 2001 and February 2004, California and the nation both lost 1.8% of their total non-farm jobs. As Shown below on page 7, all of California's job losses occurred in one region-the San Francisco Bay Area while Southern California job levels remained flat and the other seven regions of California added jobs.



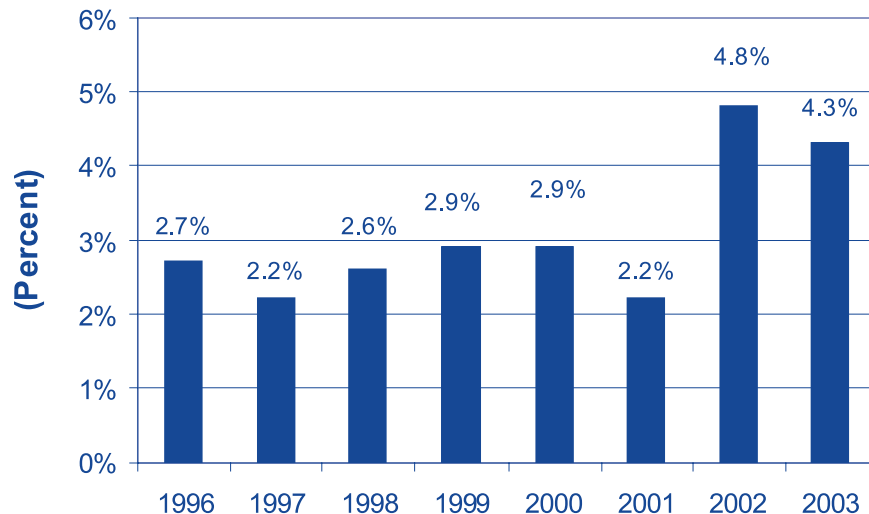
Manufacturing job losses were higher in California as compared to the United States. Manufacturing job losses were 18.7% in California between February 2001 and 2004 while national manufacturing job levels fell by 16.3%. State manufacturing job losses were highest in the Bay Area and equal to or below the national decline in other regions of the state. The large and continuing manufacturing job losses have received a lot of attention throughout the nation. The causes are many and complex, but one fact is clear. The severity of manufacturing job losses is not unique to California.

### Manufacturing Job Losses



**Productivity growth is one explanation of the “jobless” recovery.** High productivity growth allows firms to produce more without needing additional workers and, in some cases, to produce more **with fewer workers**. Productivity growth has reached extremely high levels in 2002 and 2003. In 2002, productivity growth averaged 4.8% over 2001 levels. In 2003, productivity growth was 4.3%. Roughly speaking, this level of productivity growth requires real GDP to grow at higher than 5.5% to reduce unemployment rates.

### Productivity Growth Rate





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The estimated GDP gains of near 4% for the next few quarters will not be enough to reduce unemployment rates unless productivity falls rapidly. The labor force normally increases by 2 million per year so job gains of more than 150,000 per month. Since July 2003, job growth has averaged less than 50,000 per month.

Productivity growth is essential for long-term prosperity. Productivity growth allows profits and wages to increase and living standards to rise.

But, in the short-term, this exceptional productivity growth makes the job of getting back to full employment much more difficult. And this productivity growth explains “where” most of the lost manufacturing jobs went - not to another state, not even abroad (although some did), but simply lost because firms needed fewer workers to meet rising sales levels.

## The Greater Sacramento Region

The Greater Sacramento Region includes six counties - El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba. The Greater Sacramento region includes the counties that are members of the Sacramento Area Council of Governments (SACOG). Additional information about the Greater Sacramento region economy and long-term planning issues is available at [www.sacog.org](http://www.sacog.org).

The Greater Sacramento Region accounts for approximately 6% of California's jobs and population. The region accounts for just over 3% of farm and manufacturing jobs. The region's unemployment rate in 2003 at 5.9% was below the state average of 6.7%

The Greater Sacramento Region has wage and per capita income levels that are approximately 7.5% below the state average.

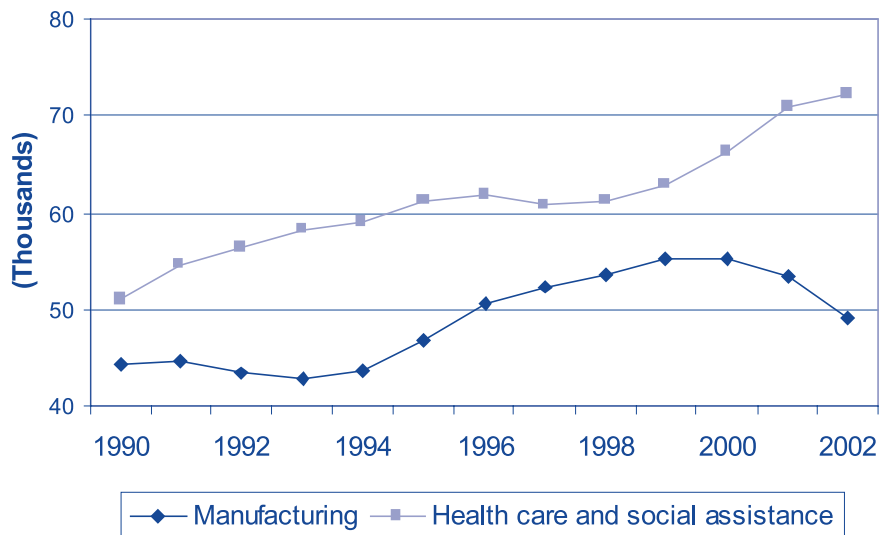
<b>Characteristics of the Greater Sacramento Region</b> (Thousands)			
	<b>Greater Sacramento</b>	<b>California</b>	<b>Gr. Sacto as % of CA</b>
Non Farm Wage & Salary Jobs (2003)	881.5	14,410.2	6.1%
Farm Jobs (2003)	12.8	375.0	3.4%
Manufacturing Jobs (2003)	48.5	1,544.9	3.1%
Population (7/01/03)	2,117.4	35,934.0	5.9%
Unemployment Rate (2003)	5.9%	6.7%	88.1%
Per Capita Income (2001)	\$30,091	\$32,563	92.4%
Average Wage (2002)	\$38,466	\$41,408	92.9%

Source: Jobs and Unemployment Rate - California Employment Development Department; Population and Per Capita Income - California Department of Finance; Average Wage - U. S. Bureau of Labor Statistics

Manufacturing industries get significant attention in discussions of regional economic growth. And manufacturing activities **are** important for innovation, high wages and exports. Yet, manufacturing sectors have not been and are not likely to be sources of job growth for the region, state or nation. Rapid productivity growth allows increases in manufacturing output to be produced with fewer, not more, workers and this is true in California, Colorado and China.

On the other hand, health care job levels have risen through good times and bad. The number of health care jobs in the Greater Sacramento Region exceeds the number of manufacturing jobs and health care job levels will rise faster in the years ahead.

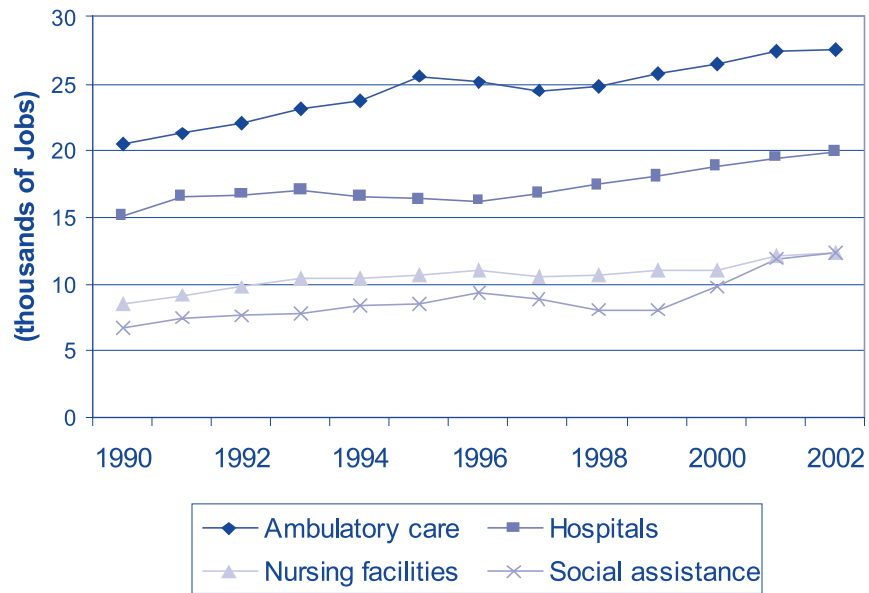
**Jobs in Manufacturing and Health Care  
Greater Sacramento Region**



Workforce shortages are growing in many health care sectors; some of which pay good wages and many offer opportunity for upward mobility. Job levels in all four major components of health care and social services -ambulatory care, hospitals, nursing facilities and social assistance-have and will continue to rise rapidly.

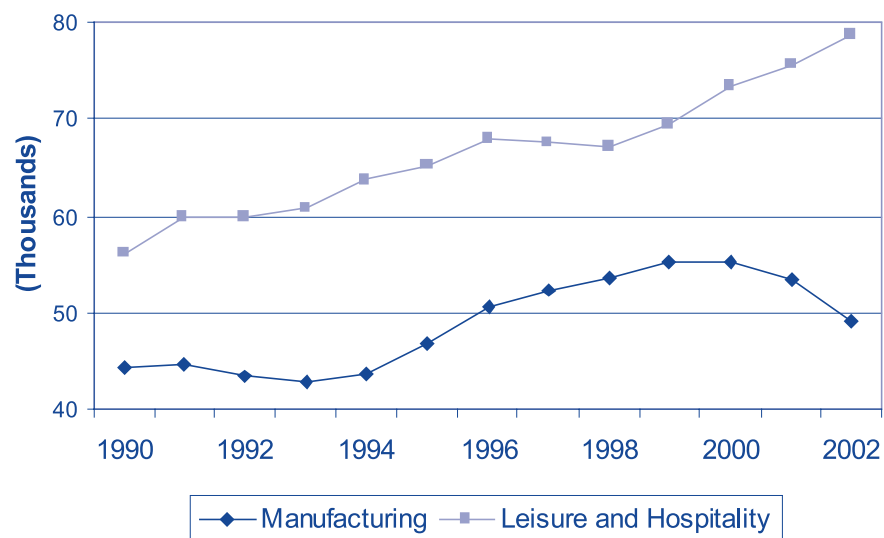
Construction jobs offer a similar set of growth opportunities in the region.

### Health Care and Social Services Greater Sacramento Region

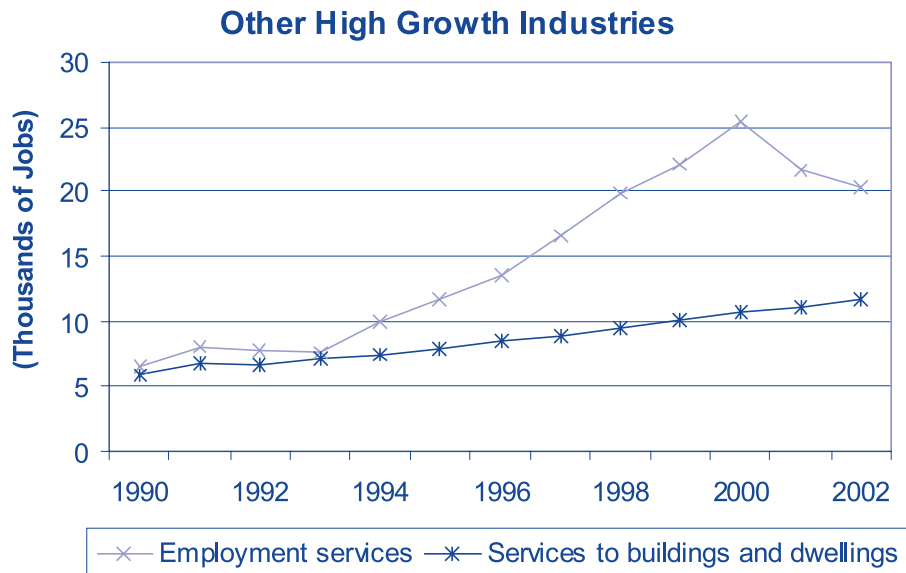


Job levels in Leisure and Hospitality have already surpassed job levels in Manufacturing and also show a steady upward trend. While these jobs generally pay below-average wages, they are important for the region's tourism sector and can offer an entry level to build upon.

### Jobs in Manufacturing and Leisure/Hospitality Greater Sacramento Region

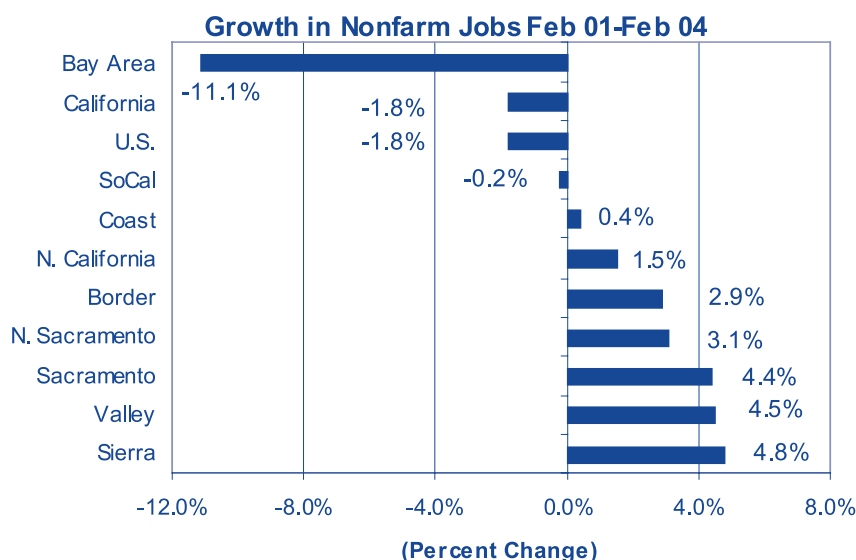


Two of the fastest growing sectors - employment services and services to buildings - serve the region's fast growing economy. These sectors also highlight the need to combine a focus on attracting high-wage, innovative sectors with a careful examination of all of the sectors where job opportunities and training needs are found. The growth opportunities shown below would not exist without the growth in the Greater Sacramento region's economic base.

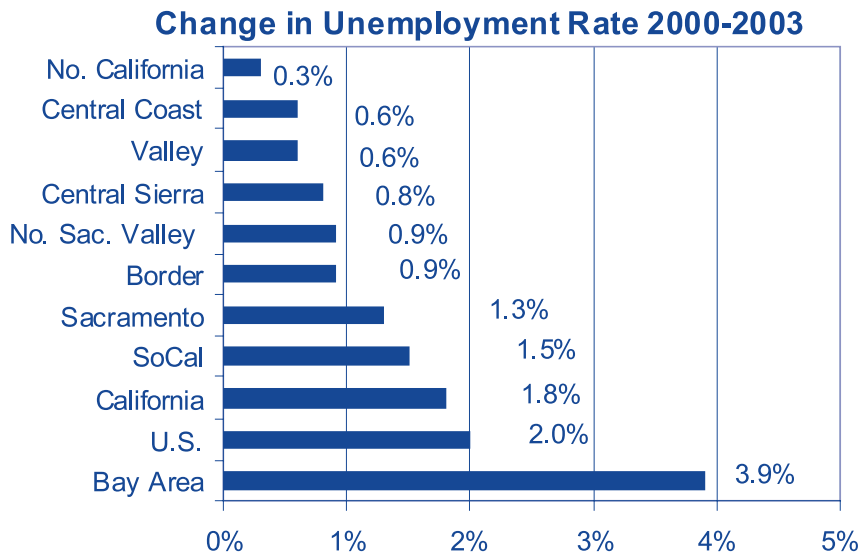


## Greater Sacramento Region Shows Strength During the Recession

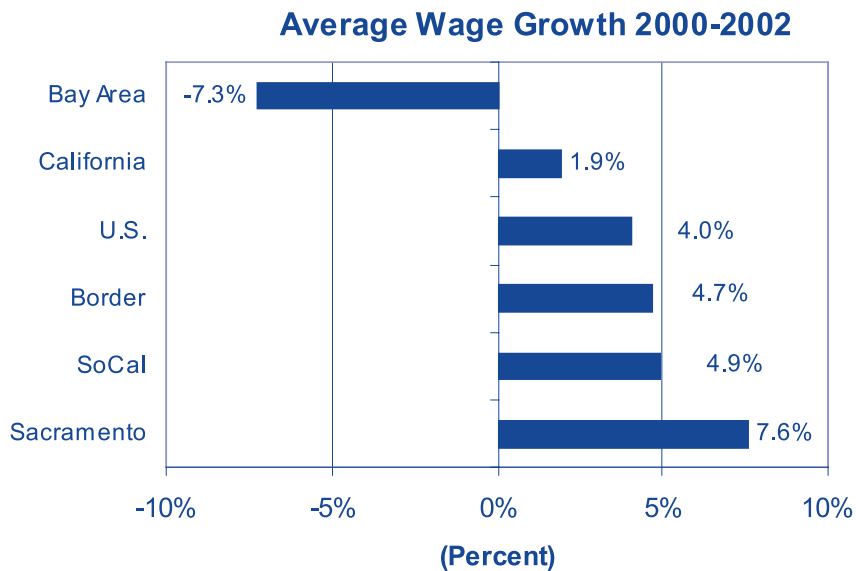
The Greater Sacramento Region added nearly 37,000 jobs between February 2001 and February 2004 for a gain of 4.4%, outpacing the state and nation, both of which lost jobs during this period. The Bay Area was the only region in California that lost a significant number of jobs during this time period. The Bay Area lost 403,400 during the past three years while the state lost 267,000 jobs. The other eight regions **added 136,400 jobs**. Job gains of more than 3.5% were recorded also in the Central Sierra, Northern Sacramento Valley and San Joaquin Valley regions. Southern California posted a small (0.2%) job increase.



Unemployment rates in the Greater Sacramento Region increased during the past three years, but by less than in the state or nation. The region's unemployment rate increased by 1.3%, from 4.6% in 2000 to 5.9% in 2003. **Every region of the state except the Bay Area, including Southern California, had a smaller increase in unemployment rates than either the state or nation.** The Greater Sacramento Region has the second lowest regional unemployment rate in California, behind the Southern Border Region.

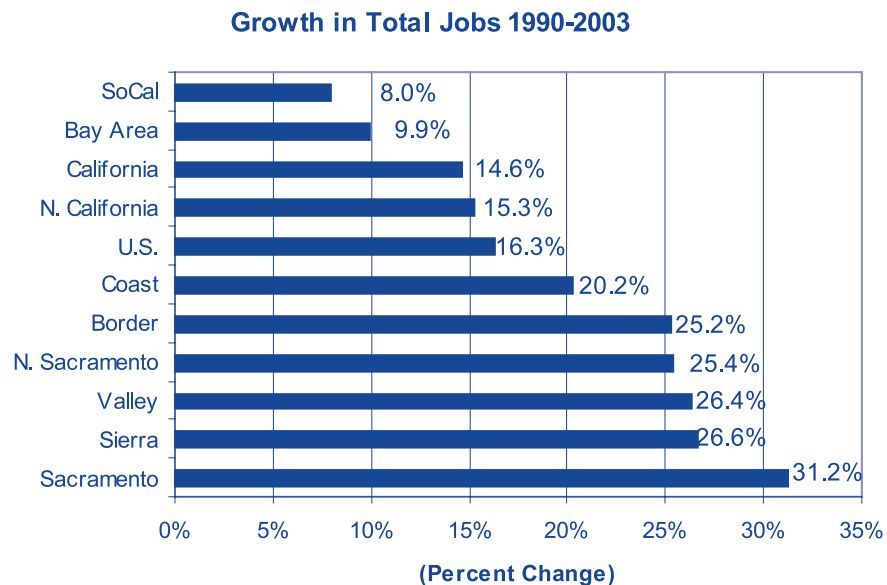


Average wage levels **rose** in the Greater Sacramento Region in 2001 and 2002. Average wages were \$35,741 in 2000 and \$38,457 in 2002. Wages rose in all regions of the state, except the Bay Area, led by a 7.6% gain in the Greater Sacramento Region. The region's wage gain was nearly double the national average gain of 4.0%.



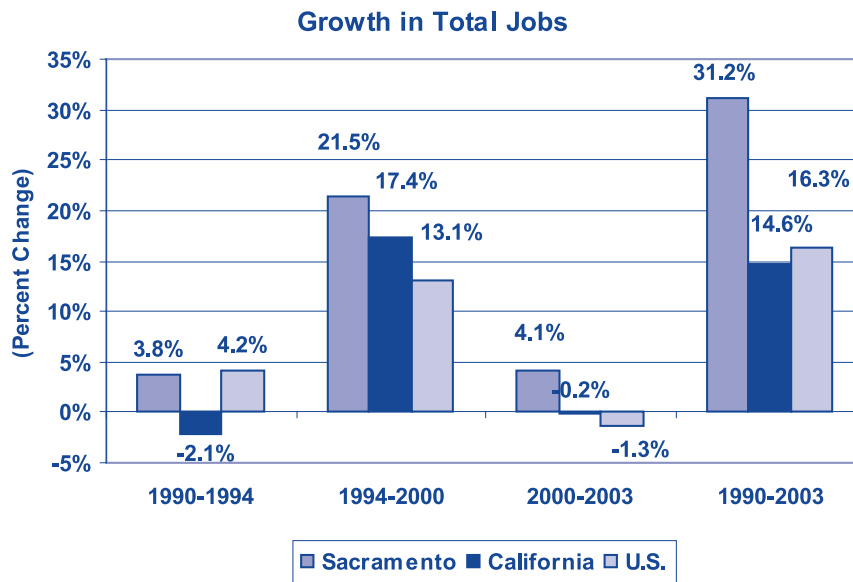
## Comparison of Regions Since 1990

The Greater Sacramento Region had the highest job growth rate since 1990 among the state's nine regions. Jobs in the Greater Sacramento Region increased by 31.2% compared to the nation's 16.3% gain and the state's 14.6% increase. Six regions outpaced the nation's job gains but the two largest regions-Southern California and the Bay Area-had below average job growth rates during this period-as a result of the aerospace slump in the early 90s and the tech/Internet slump since 2000.



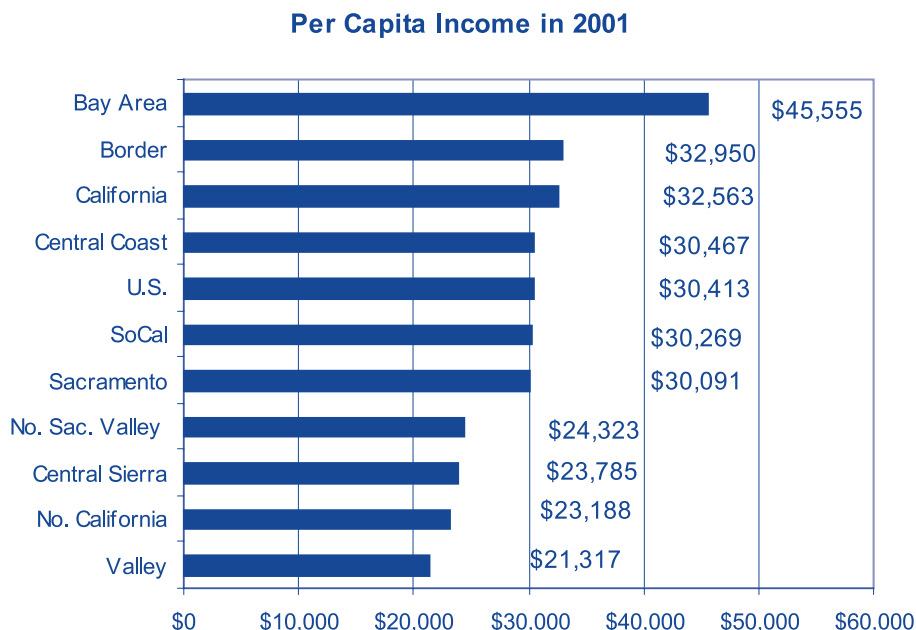
Greater Sacramento Region job growth is made up of three distinct periods. **The Greater Sacramento Region outpaced the state and nation in job growth between 1994 and 2000 and during the recent recession.** Job levels in the Greater Sacramento Region rose by 21.5% compared to 17.4% in California and 13.1% in the nation between 1994 and 2000.



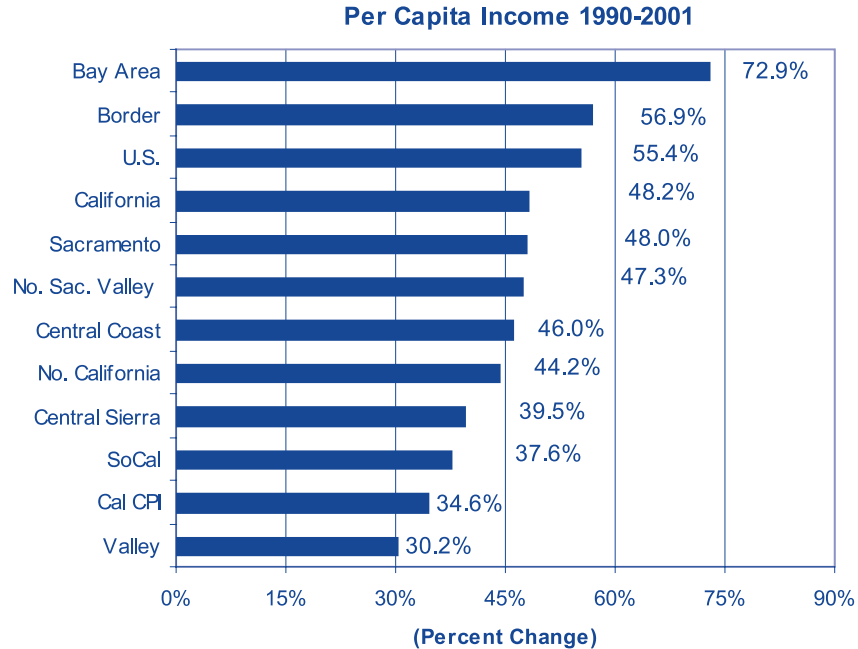


And the region added jobs since 2000 while the state and nation experienced job losses. In the early 90s recession, the Greater Sacramento Region added jobs, outpacing the state, but fell slightly short of the national job growth rates for this period.

The Greater Sacramento Region ranks in the middle in terms of per capita income among California regions. Per capita income of \$30,091 in 2001 places the Greater Sacramento Region 1.1% below the national average. The Bay Area has the highest wage level and per capita income of any region in the nation.

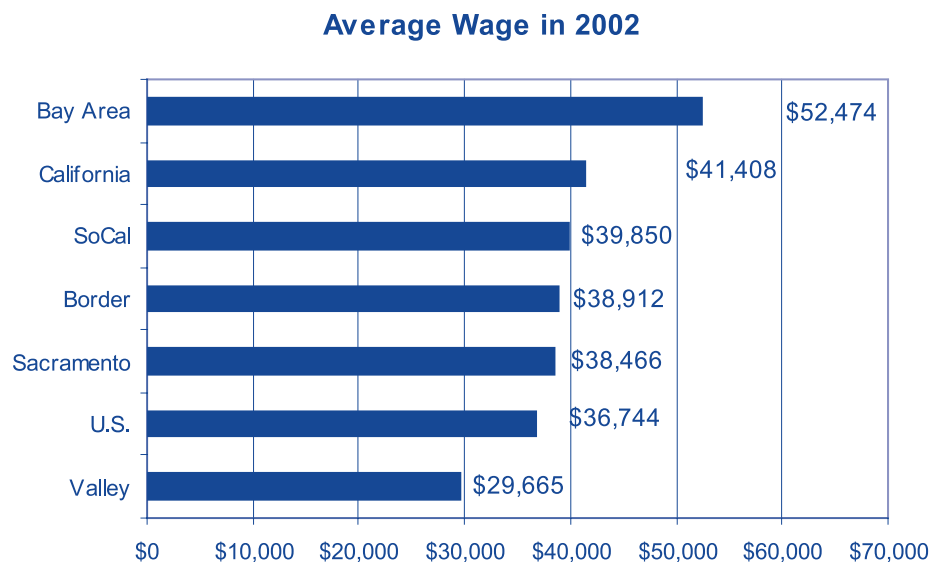


The Greater Sacramento Region had the third highest per capita income growth rate among California regions. Per capita income rose by 48.0% between 1990 and 2001, nearly 40% faster than the rate of growth in consumer prices - 34.6%. Only one region, the San Joaquin Valley, had per capita income growth that was less than the rise in consumer prices.



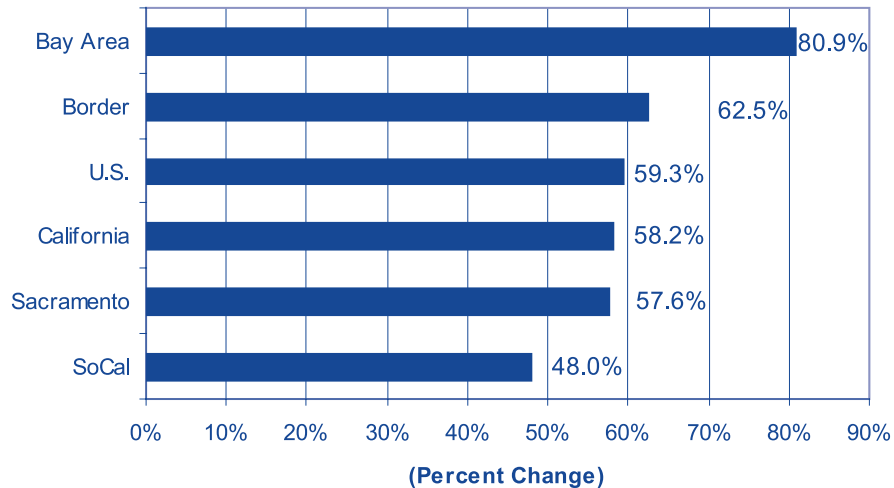
The Bay Area had the highest wage levels in the state and nation in 2002, even after two years of declining wages. **And the average wage of \$52,474 was more than 40% above the national average.** Wage levels in the Southern California, Border and Greater Sacramento regions were above the national average while average wage levels in the San Joaquin Valley remained substantially below the state and national average.

The Greater Sacramento Region had an average wage of \$38,466 in 2002 compared to the state average of \$41,408 and the national average of \$36,744.



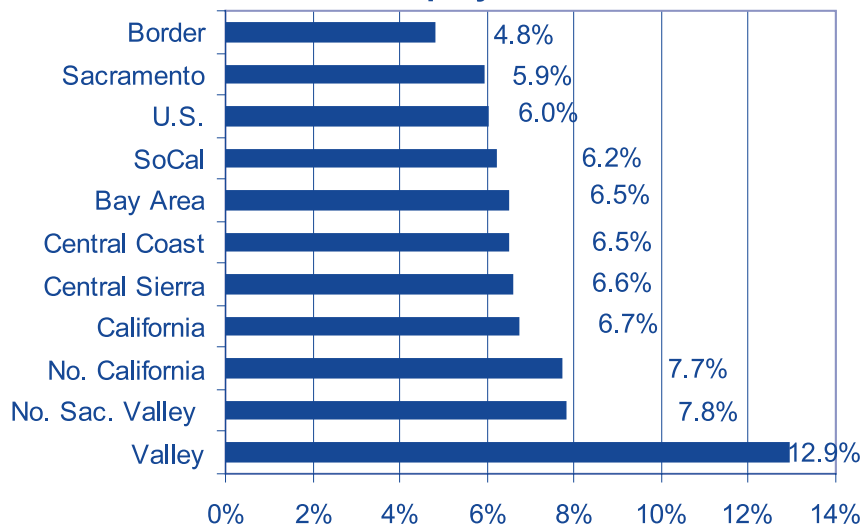
The Bay Area had the highest wage growth since 1990 among California's largest regions. Average wage levels increased by 80.9% between 1990 and 2002 compared to the national increase of 59.3%. The Border Region outpaced the nation in wage growth while wage growth in the Greater Sacramento Region was slightly below the national average and Southern California lagged behind.

**Average Wage Growth 1990-2002**



The Border Region at 4.8% had, by far, the lowest regional unemployment rate in California in 2003. The region's 4.8% unemployment rate compares to 6.7% in the state and 6.0% in the nation for the year to date. For the first time in a decade, the Bay Area unemployment rate moved above the national average in 2002 and remained higher in 2003. The state's lowest unemployment rates outside of the Border region were 5.9% in the Greater Sacramento region and 6.2% in Southern California. The highest rate was 12.9% in the San Joaquin Valley.

**Unemployment Rate in 2003**



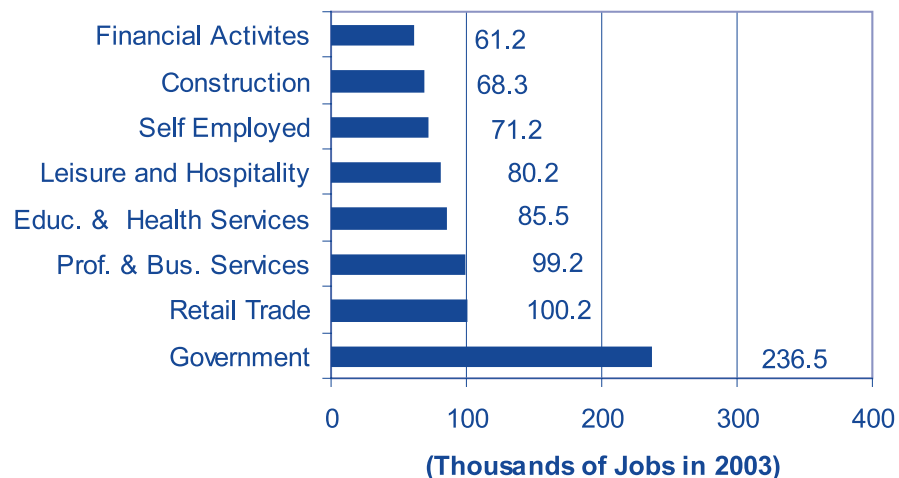
## Major Industry Sectors in the Greater Sacramento Region

**The major industry categories for reporting jobs data have changed with the introduction of the North American Industry Classification System (NAICS).** Some of the major industry categories like Construction, Manufacturing, Financial Activities, Wholesale Trade, Farm and Government, have either identical or similar names to the previous SIC-based categories and cover approximately the same set of industries and workers. The NAICS Retail Trade category is the same as before, but without eating and drinking establishments, which have been moved to the new Leisure and Hospitality industry.

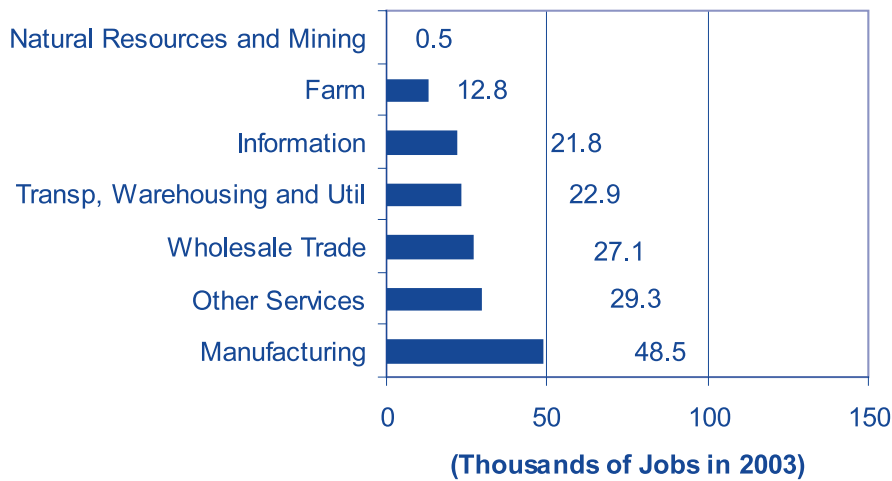
Some major industry categories are new including Professional and Business Services, Information, Educational and Health Services, Transportation, Warehousing and Utilities, and Leisure and Hospitality. Within the NAICS major industry categories are many new industry categories like telecommunications, ISPs, software publishing, childcare, and couriers.

The Greater Sacramento Region had 965,600 jobs in 2003. Government was the largest major industry sector with 236,500 jobs. Retail Trade was the second largest sector with 100,200 jobs followed by Professional and Business Services with 99,200 jobs and Educational and Health services with 85,500 jobs in 2003. Leisure and Hospitality, Self Employed, Construction and Financial Activities were the next largest sectors.

### Sacramento Leading Major Industry Sectors



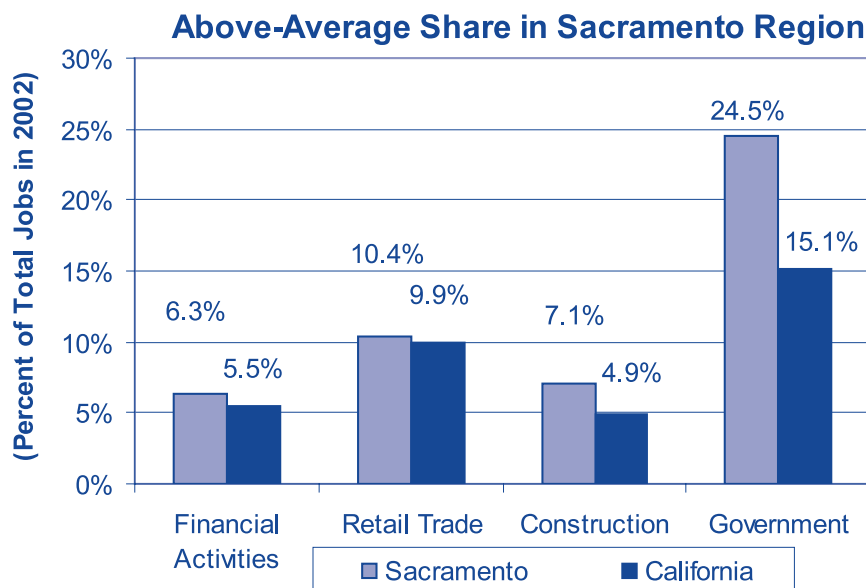
## Sacramento Other Major Industry Sectors



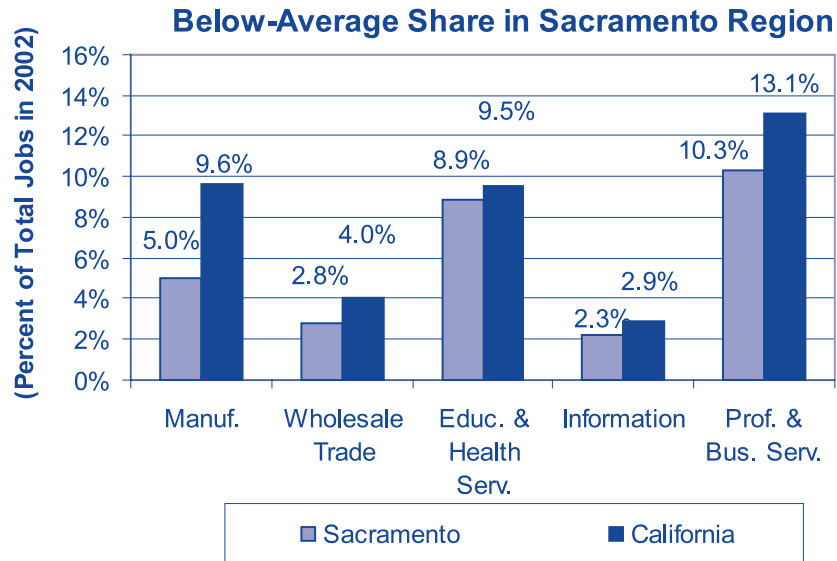
Manufacturing accounted for approximately 50,000 jobs and all other sectors had fewer than 30,000 jobs in the region in 2003.

The distribution of jobs by major industry group in the Greater Sacramento Region is similar to the statewide pattern, except for the region's very high share of jobs in the Government sector. The Greater Sacramento Region also has an above average share in Retail Trade, Construction and Financial Activities.

Government accounted for 24.5% of jobs in the Greater Sacramento Region in 2003 compared to 15.1% for the state. Construction accounted for 7.1% of total jobs in the region compared to 4.9% statewide. The difference was smaller for Retail Trade and Financial Activities.



The Border Region had a below average concentration in Manufacturing, Wholesale Trade, Professional and Business Services, Information and Educational and Health Services. Manufacturing jobs accounted for 5.0% of Border Region jobs in 2003 compared with 9.6% for the state.

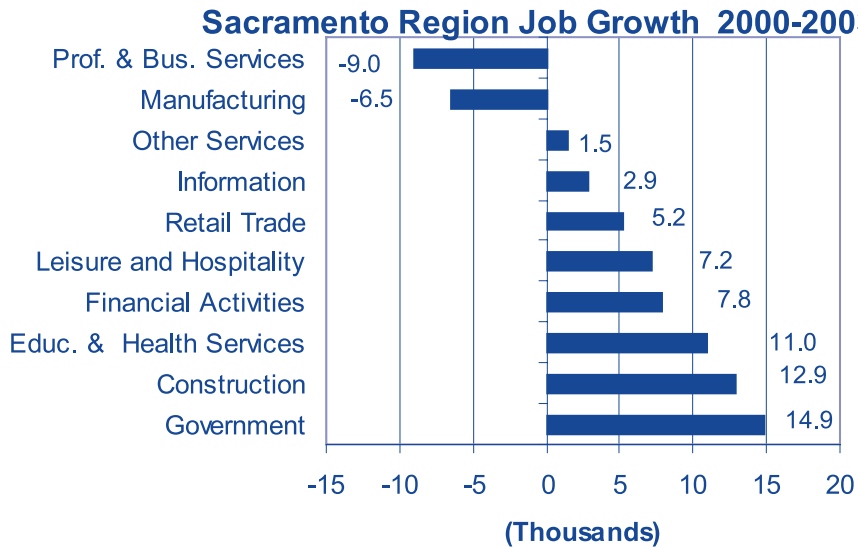


Professional and Business Services led the region's job growth since 1990. The sector added 44,100 of the 235,200 job gain in the Greater Sacramento Region. Major job growth came also from State Government and from population serving sectors including Government, Educational and Health Services, Leisure and Hospitality, Construction, Financial Activities and Retail Trade.

Smaller gains were recorded in Other Services, Information, Wholesale Trade and Manufacturing. Manufacturing added 4,400 jobs and was one of the few regions to avoid major losses in manufacturing jobs since 1990.

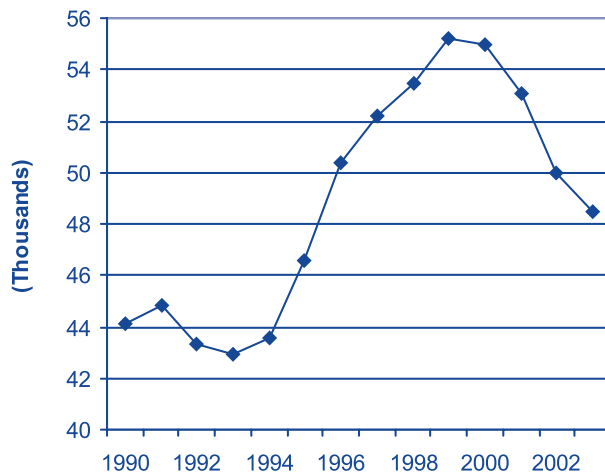


Between 2000 and 2003, the Greater Sacramento Region added jobs in most sectors. The largest gains were in Government (+14,900), Construction (+12,900) and Educational and Health Services (+11,000). Professional and Business Services were the only sectors that lost jobs in these three years as a result of the nation's high tech slowdown.

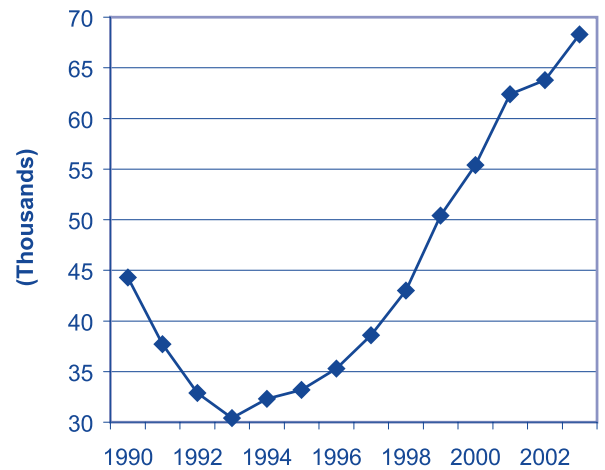


Four large major industries have shown some cyclical pattern in job levels since 1990. One sector - Manufacturing - recorded strong job growth between 1994 and 2000 and job losses during the two recession periods. Construction and Retail Trade slowed in the early 90s recession but showed job gains during the recent statewide recession. Professional and Business Services did not lose jobs in the early 90s recession but has lost jobs since 2000 in the region.

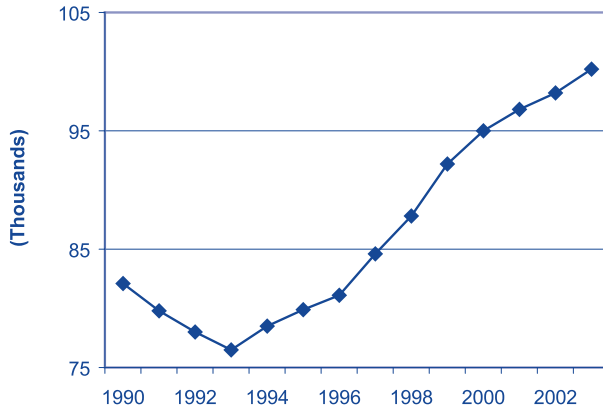
**Sacramento Region Manufacturing Jobs**



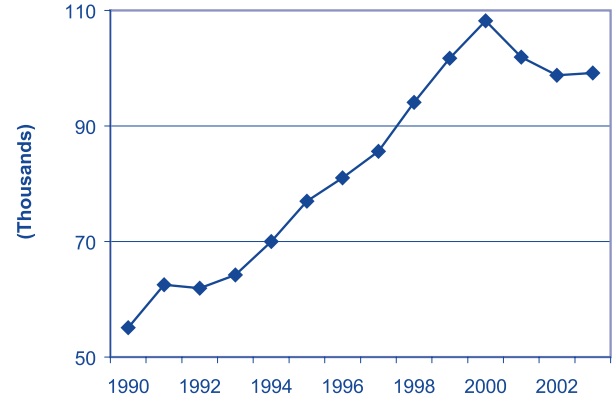
**Sacramento Region Construction Jobs**



**Sacramento Region Retail Trade Jobs**



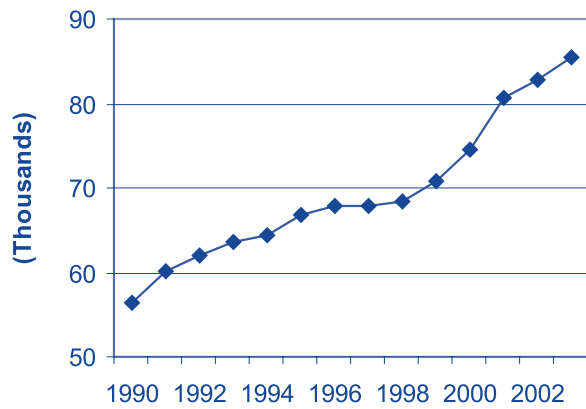
**Sacramento Prof. and Bus. Serv. Jobs**



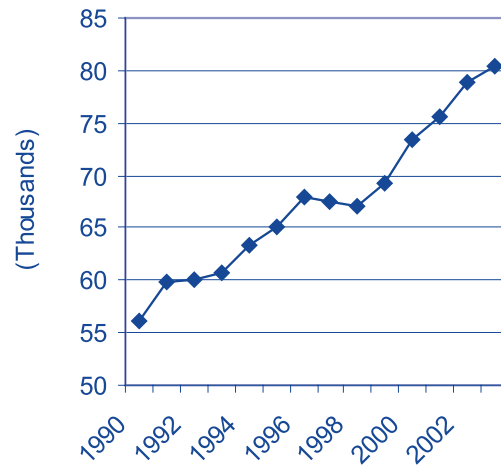
Three large major industries—Educational and Health Services, Leisure and Hospitality, and Government —have shown steady job gains even through recession periods. Two sectors mainly serve the local population and are relatively less sensitive to the business cycle and more sensitive to long-term population and income growth. Government serves both local population (local government) and state and national functions.



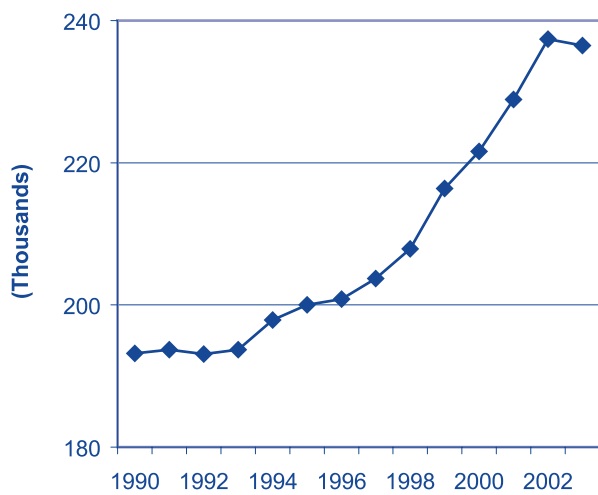
**Sacramento Educ and Health Services Jobs**



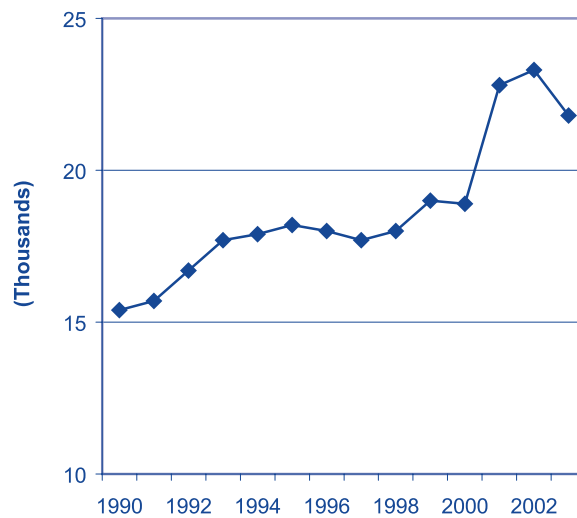
**Sacramento Leisure and Hospitality Jobs**



**Sacramento Region Government Jobs**



**Sacramento Region Information Jobs**



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## Greater Sacramento Region Economic Base

The Greater Sacramento Region's economic base is made up of those industries that sell a large portion of their goods or services to people and businesses in markets **outside of the Greater Sacramento Region**. For example, most manufacturing industries sell mainly to markets in other states or countries.

Many service industries are included in the region's economic base. Most professional, technical and scientific service firms sell to worldwide markets; tourism and wholesale trade serve worldwide markets and software, Internet and other telecommunications services do not depend mainly on local markets for sales.

Firms in any region's economic base are important for three principal reasons. First, firms in economic base industries have **a choice about where to locate**. Because high tech or computer service firms serve worldwide markets, they do not have to locate in a particular place to serve their customers.

Second, firms in the economic base, usually, but not always, pay above average wages.

Third, regions often compete for the location of economic base industries. For example, business and community groups in the Southern Border Region are continually assessing what should be done to boost the region's share of new biotechnology or telecommunications venture capital and innovation. Part of this "competition" for new firms involves assessing their workforce needs and designing education or training initiatives to meet potential workforce shortages.

Approximately 34% (324,800 jobs) of Greater Sacramento Region total jobs in 2002 were in the region's economic base. This means that 66% of the jobs were in sectors that mainly serve the local population. In designing workforce programs, it is often easy to concentrate on the economic base while overlooking opportunities and needs in population-serving industries, for example, in nursing or construction.

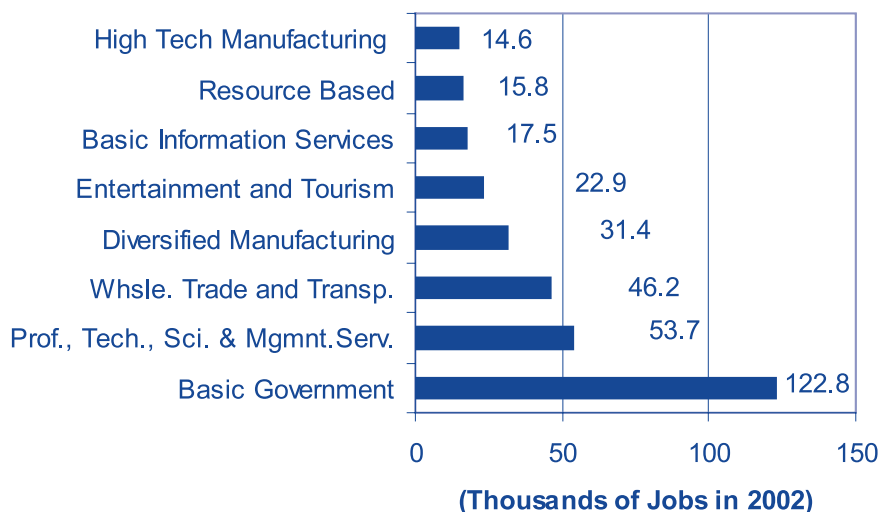
The Greater Sacramento Region's economic base has been grouped into eight major sectors for purposes of analysis and discussion:

- High Tech Manufacturing
- Diversified Manufacturing
- Wholesale Trade and Transportation
- Professional, Technical, Scientific and Management Services
- Basic Information Services
- Entertainment and Tourism
- Basic Government Services (Federal and State Government)
- Resource Based

A complete list of industries in each major economic base sector is shown in Appendix A.

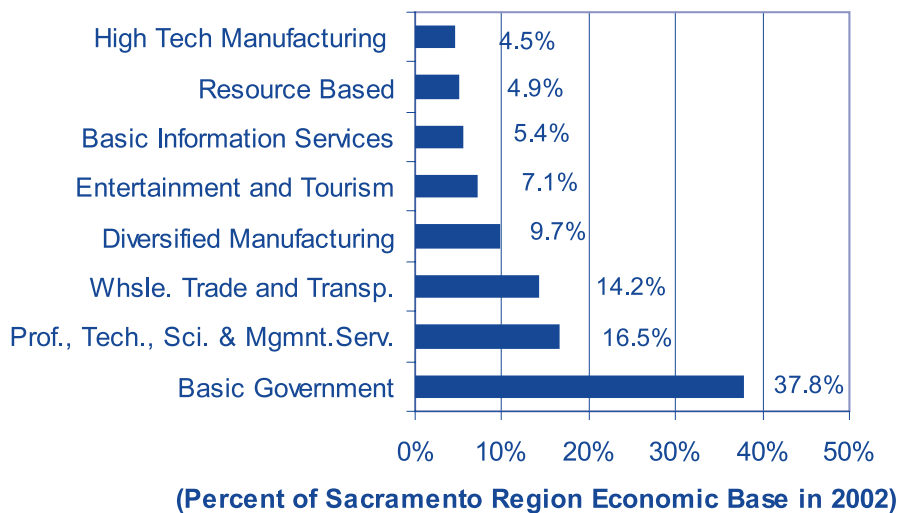
Basic Government jobs (mainly State Government) are the largest sector in the Greater Sacramento Region's economic base with 122,800 jobs in 2002. Next are Professional, Technical, Scientific and Management Services (53,700 jobs), Wholesale Trade and Transportation (46,200 jobs), and Diversified Manufacturing (31,400 jobs) in 2002. Smaller sectors include High Tech Manufacturing (14,800 jobs), Basic Information Services (17,500 jobs), the Resource Based sector (15,800 jobs) and Entertainment and Tourism with 22,900 jobs.

### Sacramento Region Economic Base

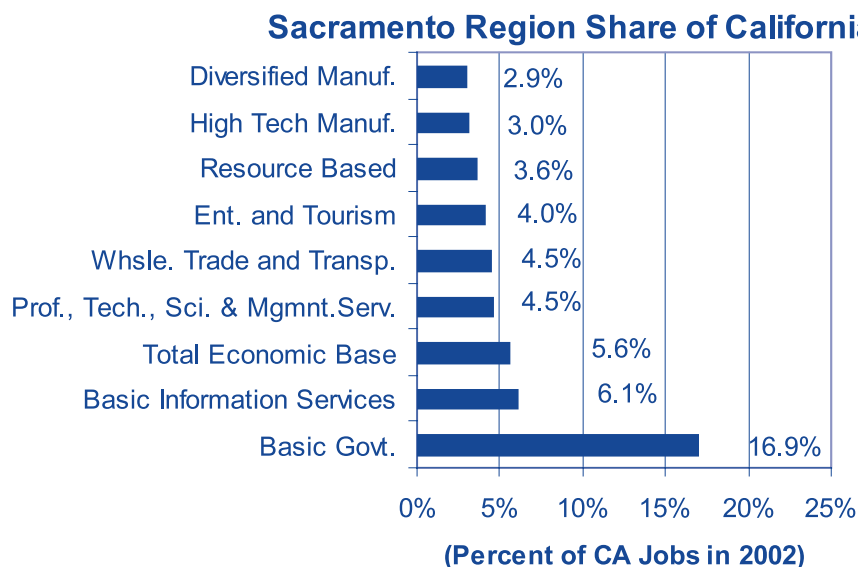


More than one third (37.8%) of the Greater Sacramento Region economic base is concentrated in the Basic Government. Professional, Technical, Scientific and Management Services is the second largest component, accounting for 16.5% of the region's basic industry jobs followed by Wholesale Trade and Transportation with 14.2% and Diversified Manufacturing with 9.7%.

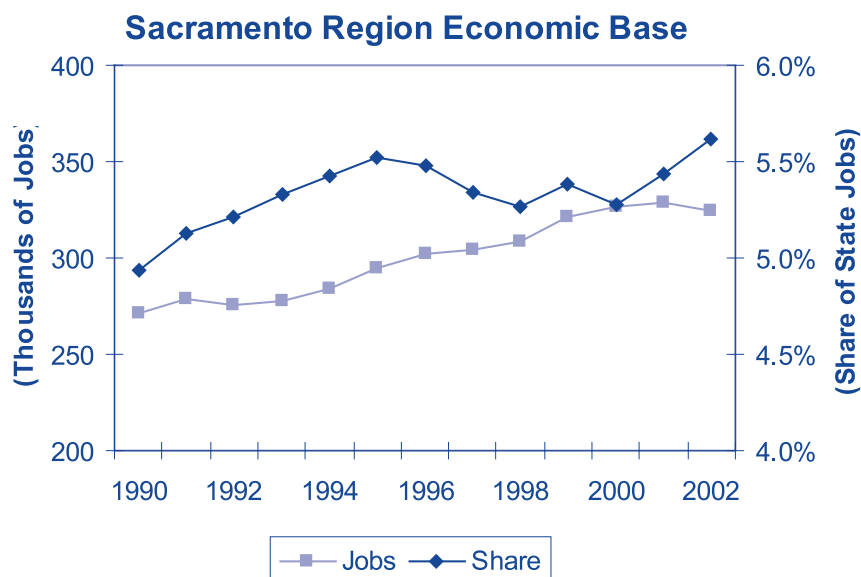
### Sacramento Region Economic Base



The Greater Sacramento Region had 5.6% of California's economic base jobs in 2002. **The Greater Sacramento Region had an above-average share in just two sectors.** The Region had 16.9% of the state's basic government jobs and 6.1% of Basic Information service jobs.

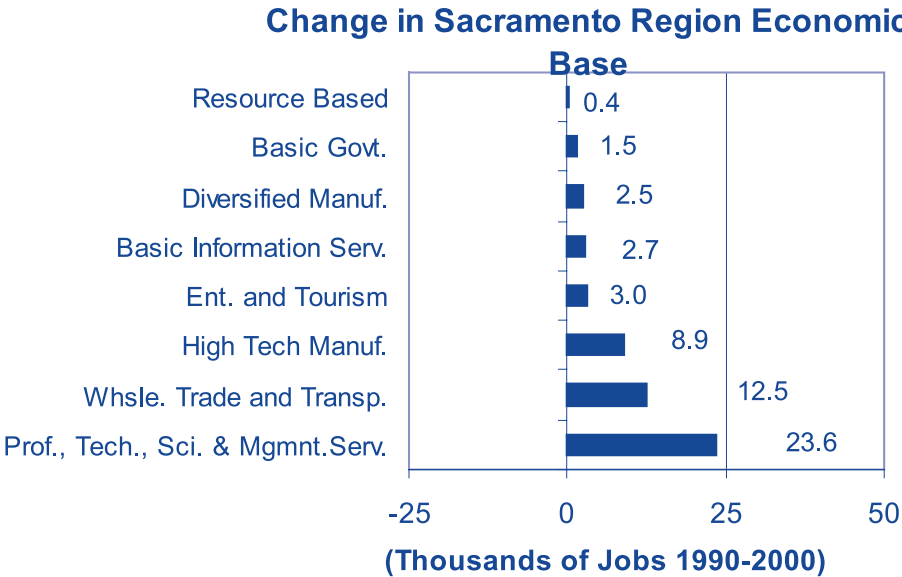


The Greater Sacramento Region share of California's basic industry jobs has risen in recent years from 4.9% in 1990 to a high of 5.6% in 2002. Basic jobs increased by approximately 60,000 between 1990 and 2001 before declining slightly in 2002.



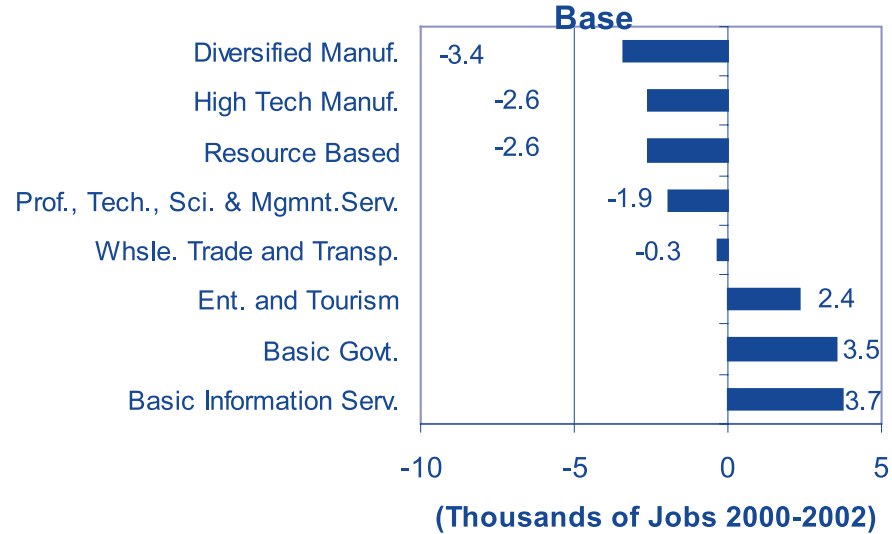
In the 1990s, the Greater Sacramento Region’s economic base job growth was led by Professional, Technical, Scientific and Management Services, which recorded an increase of 23,600 jobs or approximately 40% of the entire economic base job gains. Next in size were the gains in Wholesale Trade and Transportation (12,500 jobs) followed by High Tech Manufacturing (8,900 jobs). Small gains were recorded in Diversified Manufacturing, Entertainment and Tourism, Basic Information Services and Basic Government.

The small gain in Basic Government jobs was the result of a 14,000 job loss in federal government jobs, mainly civilian DOD jobs at military bases, offset by a more than 15,000 job increase in State Government.



The Greater Sacramento Region had modest basic industry job losses between 2000 and 2002 losing 1,100 jobs. Diversified manufacturing lost 3,400 jobs. High Tech Manufacturing and the resource Based sector each lost 2,600 jobs. The region added jobs in Basic Information Services (3,700 jobs), Basic Government (+3,500 jobs) and in Entertainment and Tourism (+2,400 jobs).

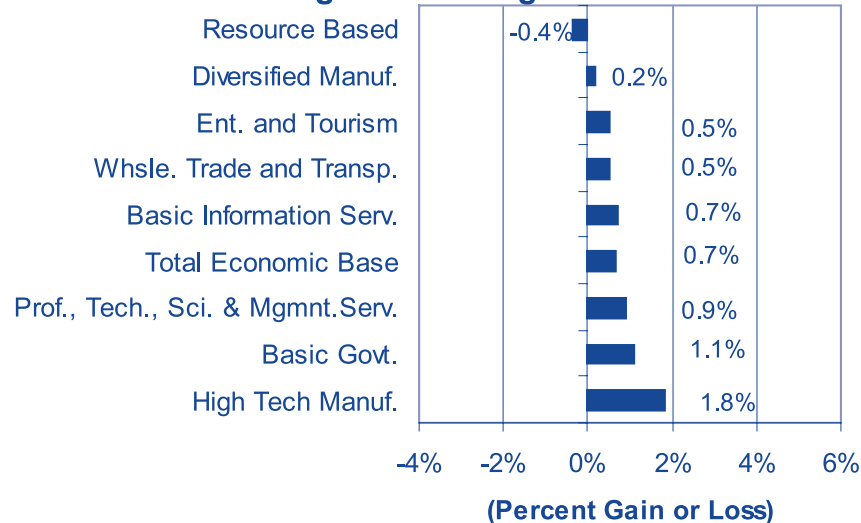
### Change in Sacramento Region Economic Base



The Greater Sacramento Region recorded modest **share gains** since 1990 in seven of the eight economic base sectors. The region's share of High Tech Manufacturing from 1.2% to 3.0% and the region's share of Professional, Technical, Scientific and Management jobs rose from 3.6% in 1990 to 4.5% in 2002. The Greater Sacramento Region also posted a share increase in Basic Government from 15.8% to 16.9%.

The region's overall share of California's economic base rose from 4.9% in 1990 to 5.6% in 2002.

### Change in Sac. Region Share 1990-2002

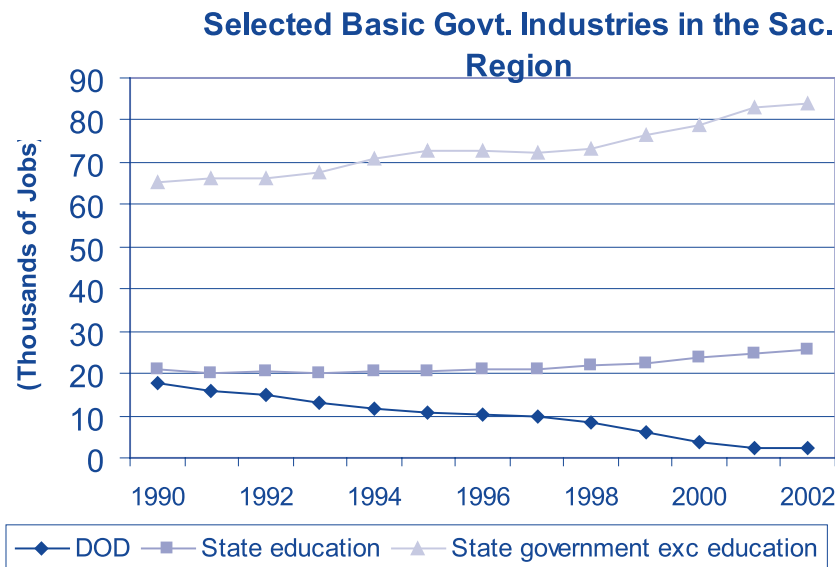


## Basic Government

Basic government jobs are the largest basic industry sector in the Greater Sacramento Region. Basic government jobs include federal and state government jobs.

There were 13,200 federal government jobs in the region in 2002, down from 31,500 in 1990. The largest losses came from military base closures as civilian

DOD jobs declined from 17,800 in 1990 to 2,100 in 2002 with the closure of major regional air bases in the 1990s.



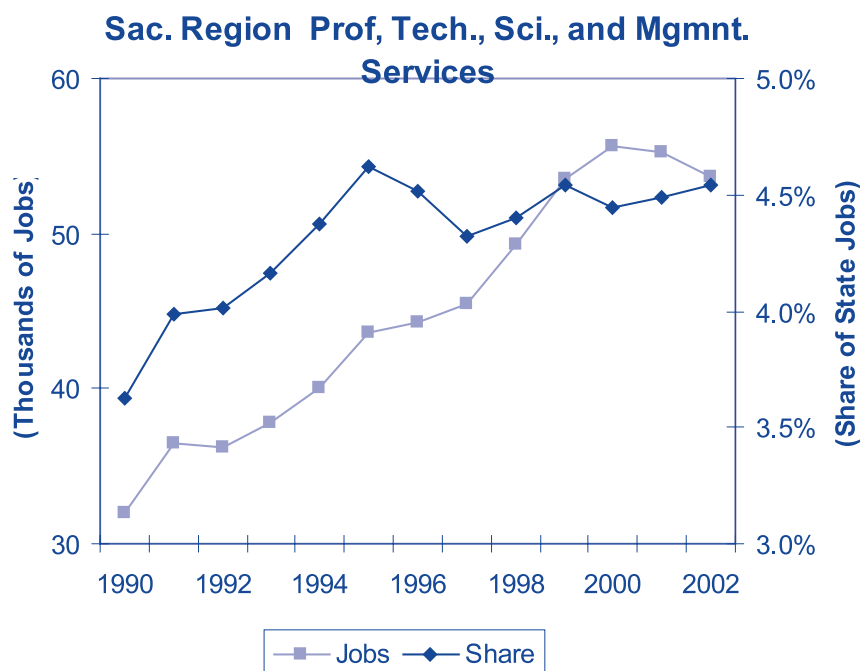
State government and education accounted for 109,600 jobs in 2002, by far the largest single component of the region's economic base. State government alone accounted for 83,900 jobs and the region had 31.8% of statewide jobs in state government. State education accounted for 25,700 jobs, which was 12.3% of the state total.

State government and education added nearly 25,000 jobs between 1990 and 2002. Job levels declined in 2003 as a result of state budget cuts.

Greater Sacramento Region Basic Government (Thousands of Jobs)				
	1990	2000	2002	% of California 2002
Department of Defense	17.8	3.7	2.1	3.7%
Federal government except defense	13.7	13.3	11.1	5.6%
State education	20.9	23.6	25.7	12.3%
State government except education	65.4	78.7	83.9	31.8%
<b>Basic Government</b>	<b>117.8</b>	<b>119.3</b>	<b>122.8</b>	<b>16.9%</b>

## Professional, Technical, Scientific and Management Services

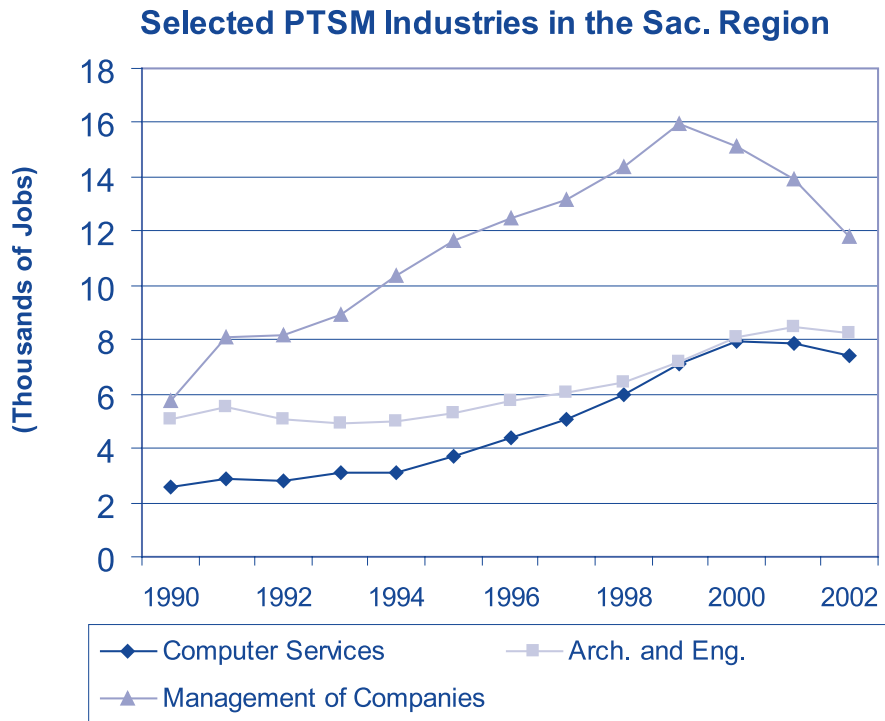
Professional, technical, scientific and management services is the second largest component of the Greater Sacramento Region's economic base measured by job levels. The sector accounted for 53,700 jobs in 2002 and showed consistently strong growth until the recent recession. The region had 4.5% of statewide sector jobs in 2002. Some of this growth was in functions related to having the state capitol in Sacramento.



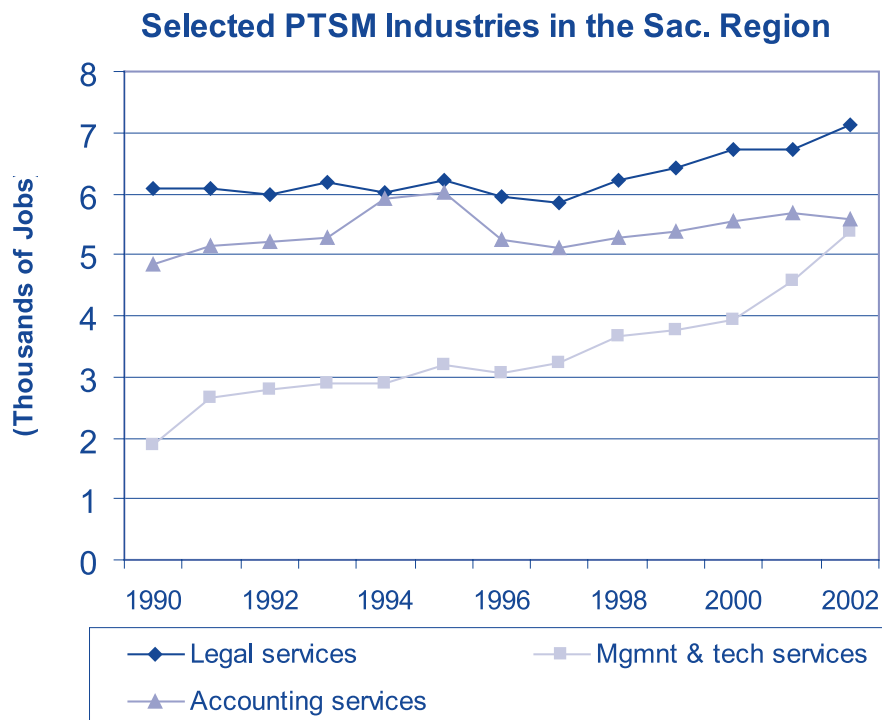
Management of companies, architectural and engineering services and computer services are the biggest sectors within professional, technical, scientific and management services. Management of companies had 11,800 jobs in 2002, up from 5,700 jobs in 1990. Computer services accounted for 7,400 jobs in 2002, up from 2,600 in 1990 and architectural and engineering services accounted for 8,300 jobs in 2002, up from 5,000 in 1990.

The Greater Sacramento Region had 4.3% of statewide management and computer service jobs and 5.3% of architectural and engineering service jobs in 2002.





Three smaller sectors also added jobs since 1990. Legal services recorded 7,100 jobs (5.2% of the statewide total) in 2002 for a gain of 1,000 jobs since 1990. Accounting services recorded 5,600 jobs in 2002 (5.4% of the state total) for an increase of 800 jobs since 1990. There were 5,400 jobs in management and technical consulting up 1,900 from 1990 levels.



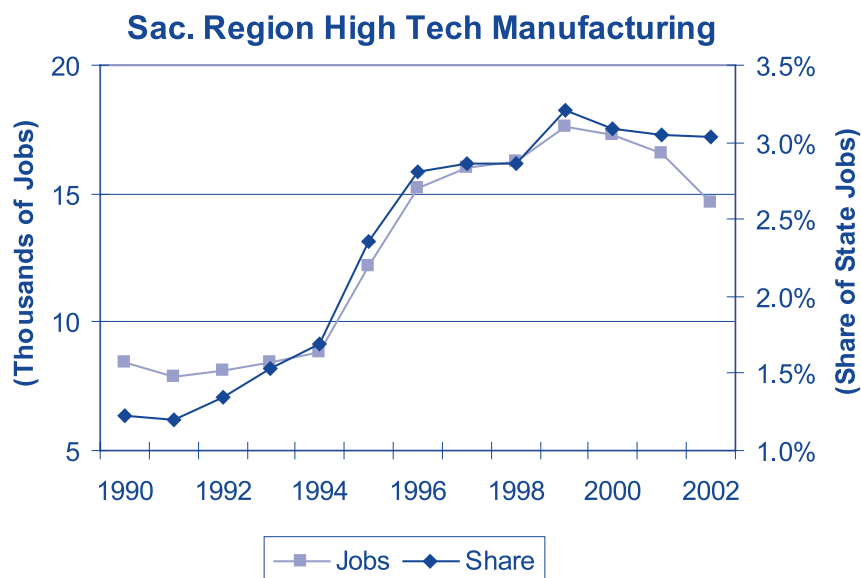
**Greater Sacramento Region**  
**Professional, Technical, Scientific and Management Services**  
(Thousands of Jobs)

	1990	2000	2002	% of California 2002
Legal services	6.1	6.7	7.1	5.2%
Accounting services	4.8	5.5	5.6	5.4%
Architectural and engineering services	5.0	8.1	8.3	5.3%
Specialized design services	0.4	0.6	0.6	2.6%
Computer systems services	2.6	7.9	7.4	4.3%
Management. and technical consulting	1.9	3.9	5.4	5.3%
Scientific R & D services	1.4	1.5	1.5	1.6%
Advertising and related services	2.0	3.2	2.8	4.6%
Other professional and technical services	2.0	3.0	3.2	5.6%
Management of companies	5.7	15.1	11.8	4.3%
Professional, Technical, Scientific and Management Services	32.0	55.6	53.7	4.5%

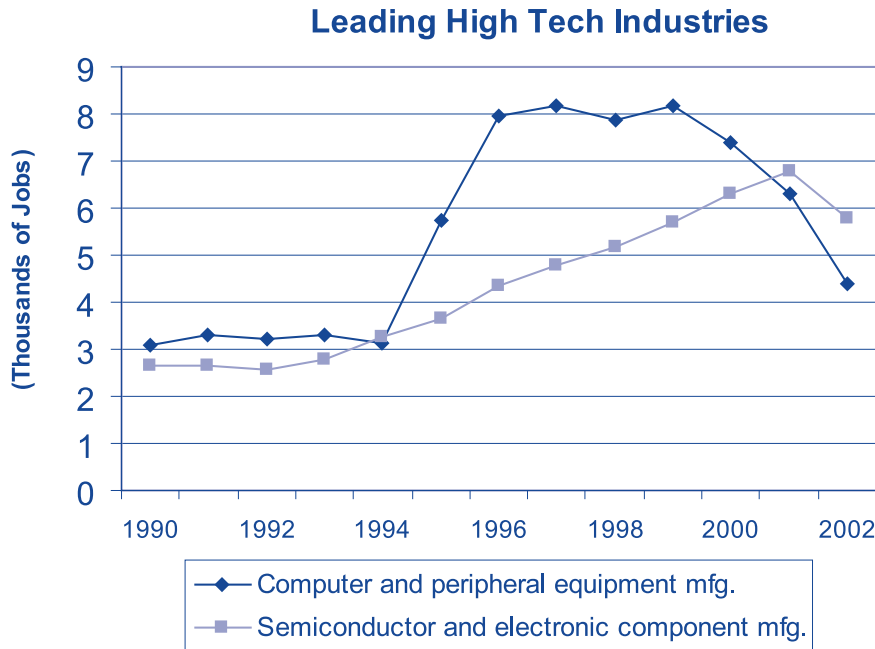
Source: EDD

## High Tech Manufacturing

High tech manufacturing job levels grew rapidly between 1990 and 2000 as the result of companies like Intel and Hewlett Packard expanding production in the region. The region's share of state high tech jobs rose at the same time. Job levels have fallen since 2000 as part of the nation's high tech recession.



The region's high tech manufacturing jobs are concentrated in two high tech sectors. The leading growth sector is semiconductors and electronic components with 5,800 jobs in 2002, up from 2,700 in 1990. The largest high tech sector in 2000 was computers with 7,400 jobs but 3,000 jobs were lost in the following two years.

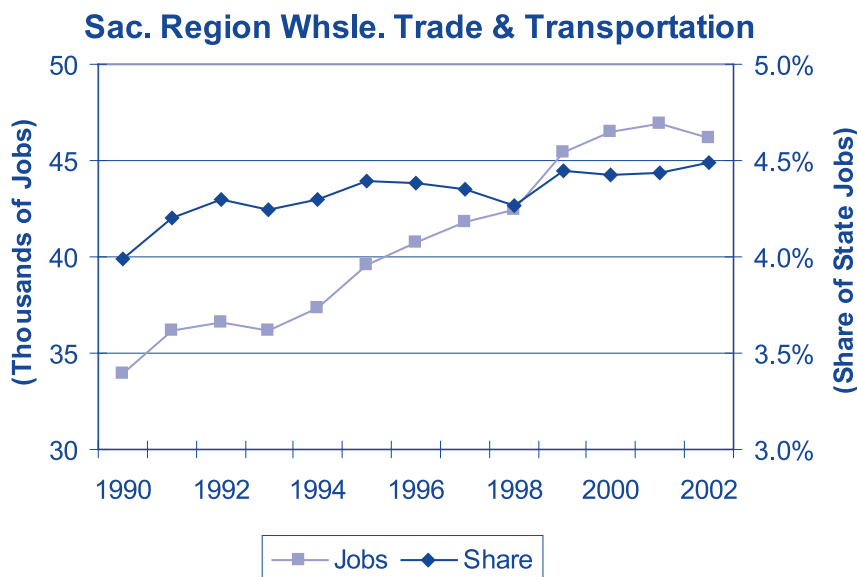


Greater Sacramento Region High Tech Manufacturing (Thousands of Jobs)				% of California
	1990	2000	2002	2002
Computer and peripheral equip.	3.1	7.4	4.4	6.2%
Communications equipment	0.2	0.3	0.1	0.4%
Audio and video equipment	0.3	0.1	0.1	0.9%
Semiconductors and elec. comp.	2.7	6.3	5.8	4.6%
Electronic instruments	1.2	2.1	2.2	2.0%
Magnetic media	0.3	0.3	0.1	1.1%
Aerospace	0.1	0.1	1.4	1.7%
Pharmaceuticals	0.5	0.8	0.5	1.3%
<b>High Tech Manufacturing</b>	<b>8.4</b>	<b>17.3</b>	<b>14.6</b>	<b>3.0%</b>

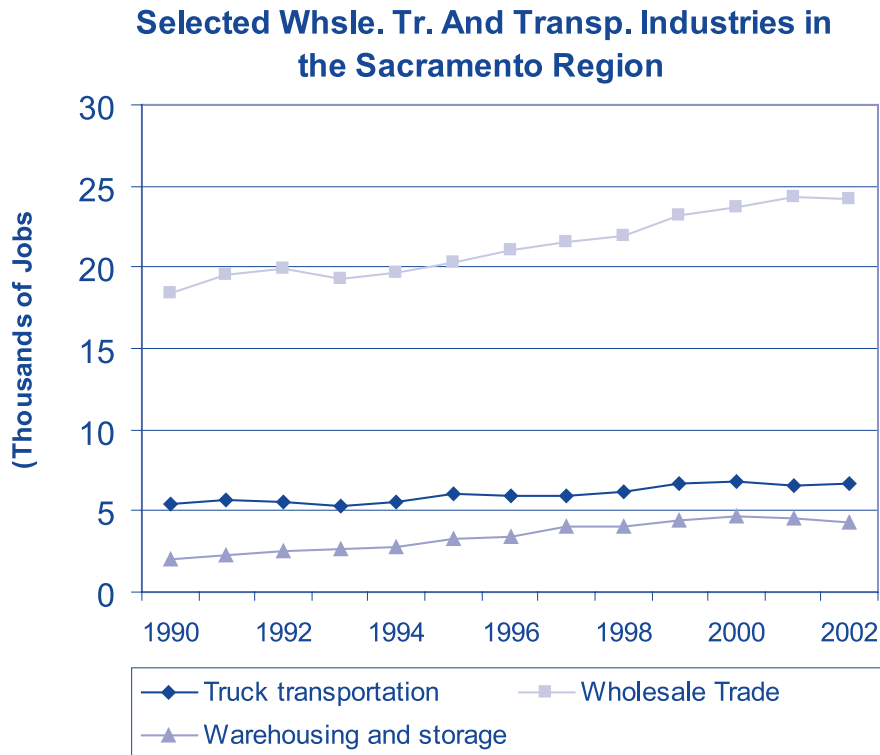
Source: EDD

## Wholesale Trade and Transportation

Wholesale Trade and Transportation accounted for 46,200 basic industry jobs in the Greater Sacramento Region in 2002. The region had 4.5% of the state's wholesale trade and transportation jobs. Sector jobs rose by 12,600 between 1990 and 2000 and fell by 300 jobs between 2000 and 2002. The region's share of wholesale trade and transportation jobs rose between 1990 and 2002, reaching an all-time high in 2002.



Wholesale trade accounts for 50% of the jobs in the sector. Wholesale trade-related jobs have risen with the level of the Greater Sacramento Region economy and the region's role as an important node on the I-80 truck corridor. The region had 14,600 wholesale trade durable goods jobs in 2002 and 9,600 jobs associated with non-durable wholesale trade - one of the region's largest basic industry sectors measured by jobs. Truck transportation jobs rose from 5,400 in 1990 to 6,700 in 2002.



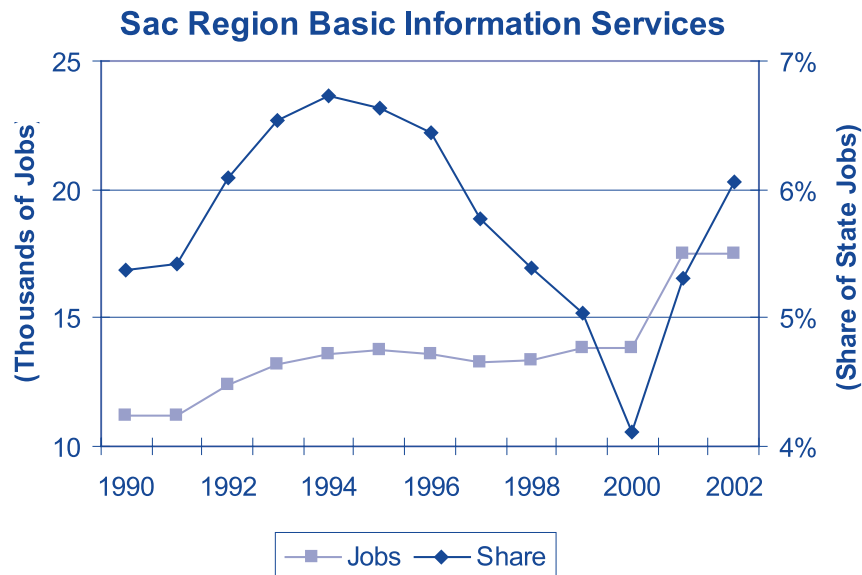
Two of the new NAICS industries, Couriers and Messengers and Warehousing and Storage, are in this sector. Job levels rose in both sectors from 1990 to 2002.

Greater Sacramento Region Wholesale Trade and Transportation (Thousands of Jobs)				% of California 2002
	1990	2000	2002	
Wholesalers, durable goods	12.0	14.0	14.6	4.1%
Wholesalers, nondurable goods	6.4	9.6	9.6	4.2%
Air transportation	0.9	1.0	0.9	1.5%
Rail transportation	2.1	1.4	0.9	7.0%
Water transportation	0.0	0.0	0.0	0.9%
Truck transportation	5.4	6.9	6.7	5.9%
Transit and ground transportation	0.9	1.4	1.5	4.1%
Pipeline transportation	0.7	0.9	1.0	36.6%
Scenic and sightseeing	0.3	0.5	0.4	11.3%
Support activities	1.0	1.7	1.9	2.4%
Couriers and messengers	2.4	2.9	3.0	6.3%
Warehousing and storage	2.0	2.3	2.6	7.3%
<b>Wholesale Trade and Transportation</b>	<b>33.9</b>	<b>46.5</b>	<b>46.2</b>	<b>4.5%</b>

Source: EDD

## Basic Information Services

Information is a new NAICS industry category and most of the component industries are also new in terms of following job trends. The Greater Sacramento Region had 17,500 jobs in the basic industry portion of Information in 2002, up from 11,200 in 1990. The region accounted for 6.1% of statewide jobs in the Basic Information Services sector. The region's share of statewide jobs fell sharply in the late 1990s as the Bay Area share rose, but the region's share has increased since 2000.



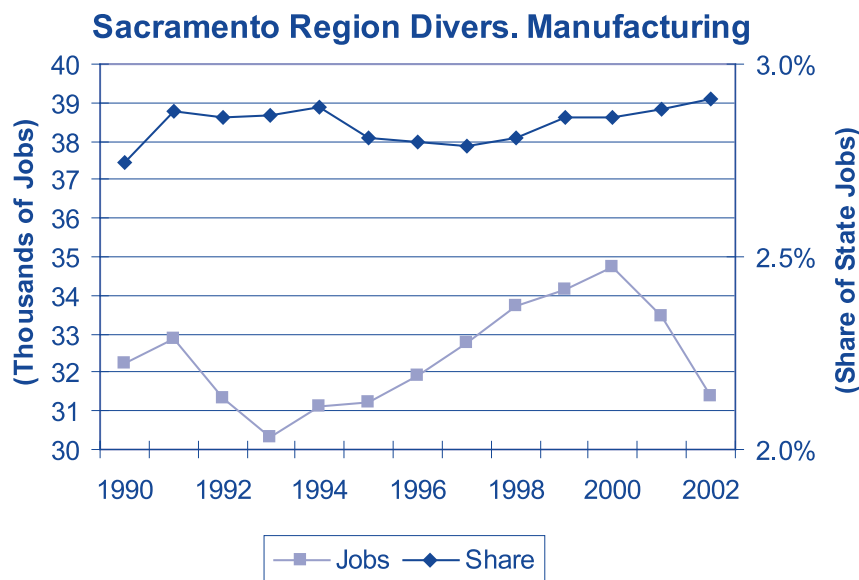
The three largest components of this sector are telecom resellers (6,000 jobs in 2002) and wireless carriers (3,300 jobs) within the Telecommunications sector followed by broadcasting with 3,100 jobs. The largest growth was in the wireless carriers sector.

Greater Sacramento Region Basic Information Services (Thousands of Jobs)				% of California 2002
	1990	2000	2002	
Software publishers	0.2	1.0	1.2	2.4%
Broadcasting, except Internet	2.1	1.8	3.1	6.9%
Internet publishing and broadcasting	0.0	0.1	0.5	6.7%
Telecommunications	7.8	9.6	11.1	8.4%
Wired carriers	1.1	1.5	1.5	10.7%
Wireless carriers	0.5	1.5	3.3	11.8%
Telecommunications resellers	5.7	5.8	6.0	3.6%
ISPs and data processing	1.0	1.2	1.5	2.7%
Other information services	0.0	0.1	0.2	7.7%
<b>Basic Information Services</b>	<b>11.2</b>	<b>13.8</b>	<b>17.5</b>	<b>6.1%</b>

Source: EDD

## Diversified Manufacturing

The Greater Sacramento Region has twice as many jobs in diversified manufacturing industries as in high tech. In 2002, the region had 31,400 diversified manufacturing jobs, 2.9% of the state total. Diversified manufacturing job levels were relatively constant between 1990 and 2002. The region's share of state diversified manufacturing jobs has risen slightly since 1990.



Only one diversified manufacturing industry had as many as 5,000 jobs in 2002. The largest single diversified manufacturing industry was wood products with 5,100 jobs, followed by other food manufacturing with 4,500 jobs and fabricated metal products with 3,400 jobs.

Several industries posted small job gains since 1990 led by furniture (+800 jobs) and fabricated metal products (+700 jobs).

The Greater Sacramento Region had more than 10% of statewide jobs in just one miscellaneous manufacturing industry in 2002-wood products with 12.4% of state jobs.

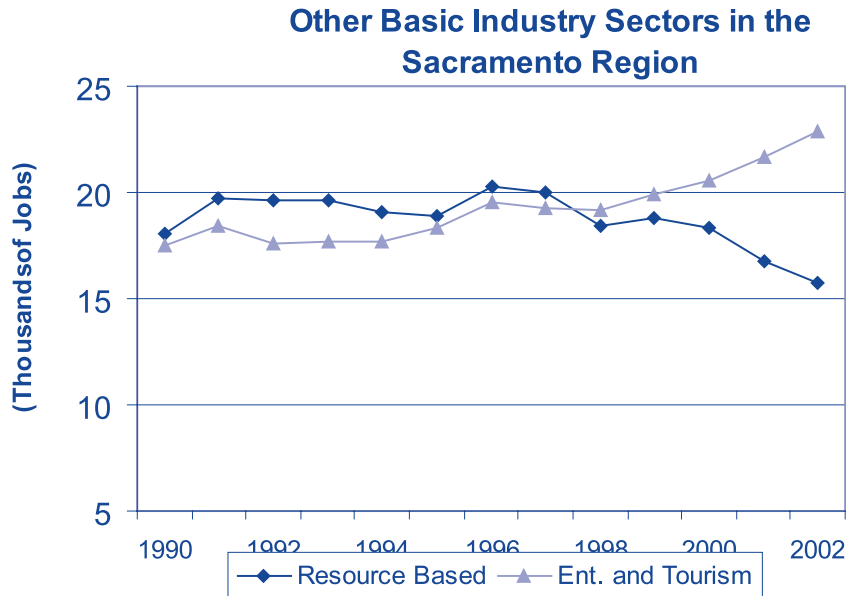
<b>Greater Sacramento Region Diversified Manufacturing</b> (Thousands of Jobs)				<b>% of California</b>
	<b>1990</b>	<b>2000</b>	<b>2002</b>	<b>2002</b>
Wood product manufacturing	5.7	5.6	5.1	12.4%
Nonmetallic minerals	1.8	1.9	2.1	4.7%
Primary metal manufacturing	0.5	0.2	0.2	0.8%
Fabricated metal products	2.7	3.4	3.4	2.3%
Machinery manufacturing	1.3	1.8	1.6	1.7%
Electrical equipment	0.2	1.0	0.9	2.2%
Ship and boat building	0.0	0.0	0.0	0.1%
Other transportation equipment	0.0	0.1	0.1	1.0%
Furniture	1.8	3.1	2.6	3.9%
Miscellaneous manufacturing	1.3	1.9	1.8	1.9%
Medical Equipment	0.6	0.8	0.8	1.6%
Other	0.6	1.1	0.9	1.8%
Other Food Manufacturing	5.3	5.2	4.5	3.9%
Beverages	1.2	1.4	1.5	4.4%
Textile mills	0.2	0.1	0.1	0.6%
Textile product mills	0.4	1.0	1.0	5.7%
Apparel manufacturing	0.5	0.5	0.2	0.2%
Leather	0.0	0.1	0.0	0.3%
Paper manufacturing	1.2	0.7	0.6	1.9%
Printing	3.0	3.2	2.6	3.8%
Petroleum	0.2	0.1	0.1	0.5%
Other Chemical Manufacturing	4.2	1.7	1.4	3.6%
Plastics and rubber products	1.0	1.7	1.4	2.2%
<b>Diversified Manufacturing</b>	<b>32.3</b>	<b>34.7</b>	<b>31.4</b>	<b>2.9%</b>

Source: EDD



## Other Basic Industry Sectors

The two remaining sectors in the Greater Sacramento Region economic base are Entertainment and Tourism with 22,900 jobs in 2002 and Resource Based with 15,800 jobs.



In 2002, the region had 9,800 jobs in the amusements sector and 8,300 jobs in accommodations (hotels and motels). The Greater Sacramento Region accounted for 4.0% of the state job total in the Entertainment and Tourism sector.

<b>Greater Sacramento Region Other Basic Industry Sectors</b> (Thousands of Jobs)				
	1990	2000	2002	% of California 2002
Motion pictures	1.1	1.2	2.0	1.4%
Performing arts and sports	4.1	2.4	2.5	4.3%
Museums, zoos, and parks	0.2	0.2	0.2	1.6%
Amusement, gambling, and rec.	5.2	8.8	9.8	6.2%
Accommodations	6.8	7.9	8.3	4.4%
<b>Entertainment and Tourism</b>	<b>17.5</b>	<b>20.6</b>	<b>22.9</b>	<b>4.0%</b>
Agriculture, forestry, fishing	14.2	15.4	13.8	3.4%
Mining	0.7	0.7	0.8	4.1%
Fruit and vegetable preserving	3.2	2.2	1.9	5.0%
<b>Resource Based</b>	<b>18.0</b>	<b>18.4</b>	<b>15.8</b>	<b>3.6%</b>

Source: EDD

Resource based jobs fell from 18,000 in 1990 to 15,800 in 2002 with the major job losses in fruit and vegetable preserving.

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## APPENDIX A

### Industries Included in Regional Economic Base

#### ***High Tech Manufacturing***

Computer and peripheral equipment manufacturing  
Communications equipment manufacturing  
Audio and video equipment manufacturing  
Semiconductor and electronic component manufacturing  
Electronic instrument manufacturing  
Magnetic media manufacturing and reproducing  
Aerospace product and parts manufacturing  
Pharmaceutical and medicine manufacturing

#### ***Diversified Manufacturing***

Wood product manufacturing  
Nonmetallic mineral product manufacturing  
Primary metal manufacturing  
Fabricated metal product manufacturing  
Machinery manufacturing  
Electrical equipment and appliance manufacturing  
Ship and boat building  
Other transportation equipment manufacturing  
Furniture and related product manufacturing  
Miscellaneous manufacturing  
Other food manufacturing  
Beverage and tobacco product manufacturing  
Textile mills  
Textile product mills  
Apparel manufacturing  
Leather and allied product manufacturing  
Paper manufacturing  
Printing and related support activities  
Petroleum and coal products manufacturing  
Other chemical manufacturing  
Plastics and rubber products manufacturing  
Miscellaneous manufacturing

#### ***Wholesale Trade and Transportation***

Merchant wholesalers, durable goods  
Merchant wholesalers, nondurable goods  
Air transportation  
Rail transportation  
Water transportation  
Truck transportation  
Transit and ground passenger transportation  
Pipeline transportation  
Scenic and sightseeing transportation  
Support activities for transportation  
Couriers and messengers  
Warehousing and storage

#### ***Basic Information Services***

Software publishers  
Broadcasting, except Internet  
Internet publishing and broadcasting  
Telecommunications  
ISPs, search portals, and data processing  
Other information services

#### ***Professional, Technical, Scientific and Management Services***

Legal services  
Accounting and bookkeeping services  
Architectural and engineering services  
Specialized design services  
Computer systems design and related services  
Management and technical consulting services  
Scientific research and development services  
Advertising and related services  
Other professional and technical services  
Management of companies and enterprises

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### ***Entertainment and Tourism***

- Motion picture and sound recording industries
- Performing arts and spectator sports
- Museums, historical sites, zoos, and parks
- Amusements, gambling, and recreation
- Accommodation

### ***Basic Government***

- Department of Defense
- Federal government except defense
- State education
- State government except education

### ***Resource Based***

- Agriculture, forestry, fishing and hunting
- Mining
- Fruit and vegetable preserving and specialty

